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CONTADORA GROUP MEETING BEGINS IN PANAMA

Panama's Abadia Speaks

PA200449 Paris AFP in Spanish 0012 GMT 20 Nov 85

[Text] Panama City, 19 Nov (AFP) -- Panamanian Foreign Minister Jorge Abadia opened the third meeting of plenipotentiary representatives of the Central American Governments with the deputy foreign ministers of the Contadora Group stating that the time has come for "the big decisions."

Fortunately, Abadia said, only a few problems remain to be resolved," but, he added, "they are decisive and final for the security of each of the region's countries." [quotation marks as received] "We are entering the last phase of the negotiation to build a peace that will strive to overcome the obstacles that still remain," the foreign minister said, pointing out that the negotiations have arrived at this last meeting because "we have overcome obstacles."

The Panamanian minister, the only speaker of the afternoon, called on the plenipotentiary representatives to "work hard on positive solutions that will help overcome the problems the Central American peoples are facing in the social, economic, political, and even military spheres."

As the Central American governments resume the work based on their governments' good will, they "have proven that they accept Contadora (comprised of Venezuela, Colombia, Panama, and Mexico) as their mediator, and that they can resolve their problems on their own and overcome differences."

Abadia closed his speech saying that in this meeting "each of the disagreements must be removed so that peace will stop being a topic of discussion and will become a consumer good for Central America."

For his part, Salvadoran Deputy Foreign Minister Ricardo Acevedo Peralta said moments before the opening of the third summit of plenipotentiary representatives that an agreement to bring peace to Central American cannot be negotiated under pressure or with a fatal deadline.

The nine Central American and Contadora Group foreign ministers established a 45-day deadline for the conclusion of negotiations and the establishment of agreements on military armament and maneuvers and verification and control of the legal instruments that will be drafted. That deadline expires tomorrow. "It was a great mistake on our part, "Acevedo Peralta said, adding that "a little more time is needed for good coordination."

With regard to Nicaragua's position that it will not sign the peace document if the United States does not simultaneously sign a protocol of nonaggression against Nicaragua, the Salvadoran official said it is "radical and propagandistic." He added that Nicaragua has introduced an extraregional element and said that in that context El Salvador and Honduras could also demand that Nicaragua, Cuba, and extraregional sectors sign an additional protocol "to cease their intervention in the domestic affairs of their countries."

Abadia also referred to this problem, but from a different angle, stating that "the countries with ties or interests in the region should participate in the Contadora peace document to guarantee that the document will be a lasting, not a utopian one."

Finally, Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco reiterated that "we continue to firmly reject suicide," stressing that Nicaragua will not sign the document so long as the United States does not guarantee nonaggression against that country.

This meeting, which is taking place at a hotel outside the capital and which will continue for 3 days, ends the break for consultations by the plenipotentiary representatives with their governments, on the one hand, and the drafting of proposals by the Contadora Group to reach a consensus on the three topics that are pending, on the other.

Time Seen Running Out

PA201911 Paris AFP in Spanish 1550 GMT 20 Nov 85

[By Roberto Rodriquez]

[Text] Panama City, 20 Nov (AFP) -- Panamanian Foreign Minister Jorge Abadia Arias today warned that if the Central American countries do not soon reach an agreement on pacification of the area, the Contadora Group will "conclude its negotiating task."

The minister pointed out that "we cannot continue extending deadlines over and over again," when referring to the third meeting of the Central American plenipotentiaries that is being held in this city as part of negotiations for the signing of a peace act for Central America.

Meanwhile, the meeting entered its second day today highlighted by the Nicaraguan stand refusing to sign the act until it receives formal guarantees of nonaggression on the part of the United States.

Nicaraguan Deputy Foreign Minister Victor Hugo Tinoco pointed out that the Sandinist government is not trying to interrupt or hinder the negotiations process but to bring up "basic problems that affect" his country, a nation that was "not born to commit suicide."

Meanwhile, although the Honduran representative, Deputy Foreign Secretary Jorge Hernandez, voiced pessimism over the future of the Contadora process, his colleagues from Costa Rica and El Salvador expressed "cautious optimism."

The Honduran delegate stressed that the Nicaraguan demand for Washington to sign an additional protocol to the act brings up a bilateral element that "completely goes beyond the framework of the negotiations among the Central American countries."

Meanwhile, Deputy Foreign Minister Ricardo Acevedo commented that the presence of Nicaragua at the discussions is evidence of the goodwill and considered the possibility of an additional protocol an issue to negotiate. Acevedo recalled that the mechanisms of the Contadora Peace Document "are serious and effective" when contemplating the rejection of foreign intervention and hinted that if the five Central American countries get together, they might demand formal commitments from the powers involved in the regional conflict.

Meanwhile, Deputy Foreign Minister Tinoco pointed out that "Nicaragua was not born to commit suicide," and deemed an agreement among the Central American countries impossible if there is not a U.S. commitment of nonaggression.

The third round of the plenipotentiaries meeting that began yesterday in a Panama City hotel has engaged mostly in studying the defense aspects of the peace act and discussions of the alternatives presented during the most recent meeting of Central American foreign ministers held last week in Geneva, Switzerland.

Some participants pointed out that specific proposals will be made today to settle differences on such topics as the arms race, military maneuvers with foreign powers, and the instruments of verification and international control.

However, although an extension given by the Contadora Group -- Panama, Colombia, Mexico, and Venezuela -- for the signing of the act of peace expires this week, it was learned from diplomatic circles that is is possible that a new extension of no more than 30 days will be given.

In this regard, the Panamanian foreign minister said today that there is that possibility depending on the participants in the current meeting, but that "we cannot continue extending deadlines over and over again."

Foreign Minister Abadia Arias added: "If there is no discussion of the topic of peace, we will then conclude our task, unless there is justification for prolonging the negotiating process."

30-Day Deadline Set

PA202352 Panama City Circuito RPC Television in Spanish 2310 GMT 20 Nov 85

[Text] The Contadora Group gave the Central American countries 30 calendar days to sign the peace document; otherwise the debates will be transferred to the United Nations. The Contadora Group's decision is based on the fact that as time goes by, the group losses credibility. Contadora was created 2 years ago.

Central American diplomats and the Contadora Group's deputy foreign ministers reacted with surprise to the announcement reportedly made by Panamanian Foreign Minister Jorge Abadia. Mexican Foreign Under Secretary Ricardo Valero said that 30 days is a very short time.

The pending points in the Contadora peace negotiations are disarmement and military maneuvers.

Nicaragua said yesterday that it will not assume any military commitments unless Washington stops supporting the contras. However, Nicaragua insisted on the need to continue the negotiations within the Contadora Group indefinitely, and without any deadline.

Mexico, Others Oppose Deadline

PA210429 Madrid EFE in Spanish 0319 GMT 21 Nov 85

[Text] Panama City, 20 Nov (EFE) -- The Contadora Group is continuing its negotiations in this capital, although the 45-day deadline, agreed at the joint meeting last October has expired. The deputy foreign ministers of Central American and the Contadora Group agreed that the Contadora process must continue without any deadline or any goal other than achieving detente regarding the region's difficult situation.

Ricardo Valero, Mexican foreign under secretary, referred today to statements made yesterday by Panamanian Foreign Minister Jorge Abadia, who announced a 30-day extension for the Contadora Group. Abadia announced on Tuesday at the opening of the technical meeting which ends tomorrow that if in 30 days the peace document was not signed, "Contadora would have to submit a report to the United Nations and consider its work finished."

According to Valero, the foreign ministers of Mexico, Venezuela, Colombia, and Panama are the ones who must formally request more time for the signing of the peace document. Valero also told newsmen that it would be too premature to place another deadline on Contadora when it has just gone through one deadline.

Victor Hugo Tinoco, Nicaraguan deputy foreign minister, said that "the Contadora process is not just the peace plan, which is only one of the many tasks for Contadora in the region." Tinoco told EFE that in the work plan submitted by Contadora when the peace negotiations began, the signing of a peace and cooperation plan for the region was one of six points.

From today's meeting "it seems to be understood by everyone that the negotiating process is going to continue."

German Nava, Venezuelan deputy foreign minister, more categorically said that "the peace negotiations cannot be given an ultimatum," while adding that an agreement cannot be reached in just 2 or 3 days.

However, Jose Mari Cabrera, Panamanian deputy foreign minister, said that "this process cannot continue indefinitely. The time will come when it will end because it has fulfilled its objective or because it is just impossible." Cabrera did not say if his view is that of the Panamanian Foreign Ministry or of the Contadora Group.

The deputy foreign ministers of the Contadora Group and Central America did not discuss during the meeting the possibility of a new deadline for the negotiating process; they merely limited themselves to discussing the three points still pending for the signing of the peace document: the C. America arms race, security, and military advisers.

Nicaragua 'Key' to Agreement

PA211647 Paris AFP in Spanish 1545 GMT 21 Nov 85

[Text] Panama City, 21 Nov (AFP) -- A negotiated agreement in Central America is still possible, but Nicaragua's request demanding a commitment of nonaggression from the United States before signing a peace and cooperation document is still unresolved, sources close to the Contadora Group have announced here.

For his part, Jorge Hernandez, Honduran representative to the third meeting of plenipotentiaries of Contadora and Central America, said that "Nicaragua has the key to securing a peace agreement in the area."

The final round of negotiations that began here 2 days ago should end today with definite proposals on arms, military maneuvers with extraregional powers, and verification and international control mechanisms that are reached.

Proposals and alternatives in this field were given last night to the deputy foreign ministers of Costa Rica, Nicaragua, Honduras, El Salvador, and Guatemala in an effort to overcome the points of strong disagreement over defense and security.

The four deputy foreign ministers of Contadora (Panama, Mexico, Colombia, and Venezuela) believe that the documents given to them last night contain possible formulas to solve the differences that still exist, it was learned.

While Honduran Hernandez affirmed that "we have reached the decisionmaking moment," other sources at the meeting noted that there was a "climate of hope" that paves the way for a possible negotiated solution to the Central America conflict. However, they feel that a "principal obstacle" is the reiterated position of Nicaragua demanding an additional protocol to the document, which must be signed by the United States, in which the United States commits itself not to attack Nicaragua. "To sign the document without a commitment of nonaggression by Washington would be suicidal for Nicaragua, and we were not born to commit suicide," Sandinist Deputy Foreign Minister Victor Hugo Tinoco said yesterday.

In the opinion of Panamanian Deputy Foreign Minister Jose Maria Cabrera, the differences between the Central American parties have been reduced over the past few days, opening "good prospects" for successfully concluding the talks today. The Central American crisis is complex and difficult, and the time factor is a limiting one, he noted.

Yesterday Foreign Minister Jorge Abadia announced that Contadora "would conclude its work" if the Central American countries did not reach a prompt agreement because "we cannot go from one extension to another in the time frame established for the signing of the peace document.

Deadline Extended

PA220345 Paris AFP in Spanish 0311 GMT 22 Nov 85

[Text] Panama City, 21 Nov (AFP) -- An extension specifically to discuss the arms buildup and military maneuvers, which are included in the security chapter of the Peace and Cooperation Document, was agreed tonight among the Contadora Group and Central American plenipotentiaries at the conclusion of another round of negotiations.

In addition, the sessions, which lasted 3 days in this capital, ended with a document of consensus in the areas of verification and control, as well as policy and security.

The initial deadline of 45 days to discuss the pending aspects expired yesterday. However, the deputy foreign ministers decided that they needed more time to reach a full agreement.

FOREIGN MINISTER VIEWS REAGAN-GORBACHEV TALKS

PY220134 Buenos Aires Argentina Televisora Color Network in Spanish 0000 GMT 22 Nov 85

[Text] Before leaving for New York, Foreign Minister Dante Caputo referred to the meeting Reagan and Gorbachev held in Geneva and to the stance the Group of Six has adopted regarding disarmament.

[Begin recording] [Caputo] I believe some progress has been made in the relations between the two superpowers. This is obviously important because to the extent that those countries agree on global issues, the world will be farther from the danger of a confrontation that would mean a holocaust and bring disaster to mankind, because it would be a nuclear war. Yet we should not forget that at times the agreements reached by the superpowers do not necessarily mean that the intensity of their mutual harassment in third countries will decrease.

We rejoice, and we are happy that the ghost of war can be pushed farther away through this type of initiative. However, we also suffer, in an indirect manner, the consequences of this confrontation, because of the campaigns and the propaganda wars that the superpowers wage in our countries. This is for the nonaligned position that Argentina is upholding.

Therefore, we have followed with interest the talks between Mr Reagan and Mr Gorbachev, and we hope they will achieve positive and concrete goals.

[Unidentified speaker] A final question, Mr Minister. Will this event mark the beginning of a more intensive stage in the work undertaken by the Group of Six?

[Caputo] I believe the work by the Group of Six is part of this effort to ease tensions throughout the world. Our voice has been heard. We began with a declaration, and we are constantly evaluating the arms buildup problem. I believe the voice of the Group of Six has gained strength and that the group occupies its own place in the discussions on disarmament. [end recording]

MARTINEZ DENIES PLANS TO PARDON JUNTA MEMBERS

PY201516 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1307 GMT 20 Nov 85

[Text] Buenos Aires, 20 Nov (NA) -- Argentina Vice President Victor Martinez denied this morning that President Raul Alfonsin is considering any plans to "put a stop" to the legal proceedings against the military chiefs who are charged with having committed excesses during the struggle against subversion. Martinez made this statement at the end of a meeting he held this morning with President Alfonsin. He added that this issue was not among those discussed during the meeting.

Vice President Marinez noted: "We have always noted that the courts are doing their job. This trial must be brought to the last instances." He added: "To 'put a stop' to this case at this time would be like declaring an amnesty. This would hinder the task of the courts."

Jaunarena Says No Amnesty Bill

PY212119 Buenos Aires Domestic Service in Spanish 1600 GMT 21 Nov 85

[Text] Defense Secretary Horacio Jaunarena has stated that congress is the appropriate arena for debating and analyzing a possible "full stop" [punto final] law [to give amnesty to civilians and military charged with crimes in previous regimes]. However, he confirmed that the Defense Ministry has not drawn up any possible full stop draft bill.

Our correspondent at the Defense Ministry (Jorge Abasolo) will give us more details on this issue. Go ahead, Jorge:

[Abasolo] Thank you. Defense Secretary Horacio Jaunarena denied that this ministry is drawing up a full stop draft bill. In a chat with journalists he then referred to other subjects as follows:

[Begin recording] [Jaunarena] The Defense Ministry has no draft bill. I have seen that rumors are being spread regarding an alleged draft bill supposedly drawn up by the Defense Ministry, but there is nothing of the sort.

[Unidentified journalist] Does the ministry intend to draw up a similar sort of law?

[Jaunarena] No, that is not in the ministry's jurisdiction. I believe that the famous subject of the "full stop," much talked about during the past few days, should be based on some analysis which I think is needed. Basically, I believe that in order to be able to move toward the future, Argentina must confront the very cruel past it experienced during the past few years as a consequence of terrorism. Moreover, the Argentine people must confront this very cruel past by assuming the corresponding responsibilities for such cruel and serious past events.

[Unidentified reporter] [Question indistinct]

[Jaunarena] I am voicing some ideas and believe that we cannot confront the past by upholding impunity. But neither must we allow the past to condition our future. It is our duty to pass on to our children a reconciled society, and this reconciled society cannot be achieved [passage indistinct]. [end recording]

RIOS ERENU DISCUSSES ANTISUBVERSIVE STRUGGLE

PY211508 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2100 GMT 20 Nov 85

[Text] Buenos Aires, 20 Nov (NA) -- Army Chief of Staff General Hector Rios Erenu today stated that "the beginning of the Argentine rencounter" would represent the "definite end" of the consequences of the anti-subversive struggle. He also commented that during the recent conference of American armies, in Santiago, Chile, it was noted that "there are different points of view regarding the means of struggle against terrorism."

Rios Erenu reiterated that the Army "respects" the court and hopes that it will "clarify all the facts presented by the prosecutors and defense lawyers." The chief of staff said that the "definite end," which people are talking about these days, "is prompted by a need of the entire society," but he added that there "are also premises such as reconciliation, justice, and the desire for a shared future."

In statements to Radio Mitre, Rios Erenu said the idea of a definite end "does not imply giving the situation an abrupt end but rather seeking an end to disagreements in order to be able to promote reconciliation (...) and move toward the great Argentina." He added: "We remain loyal to our way of thinking. We fully trust in justice, and measures that will help reconcile the Argentine people will also have to be adopted."

Changing the subject, Rios Erenu referred to the conference of American armies in Santiago, Chile, recently. He stated that ideas were exchanged on how to act in a coordinated manner "against the scourge that terrorism represents." However, he added that there "are different points of view on how to struggle against it," but noted that the means are found "through a good exchange of information and a good organization of those involved in the antiterrorist struggle."

Regarding the imminent reorganization of the Army, he said that the Inspection Directorate will not disappear, but hinted that it would be reorganized and have other functions.

NAVY CHIEF OF STAFF PRAISES INSTITUTIONAL ORDER

PY210204 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1407 GMT 20 Nov 85

[Text] Bahia Blanca, 20 Nov (NA) -- Navy Chief of Staff Vice Admiral Ramon Arosa has stated in Puerto Belgrano he has no doubts "that the inclusion of the Armed Forces in the democratic system is absolutely definite" because "the country's real future is in the constitutional order." He added that the forces under his command "will try to adjust to the country's economic situation," and added that although this problem affects some activities, "we will overcome these difficulties because we feel it is a contribution we must make to the country." Arosa made these remarks at the end of a ceremony he presided over yesterday at the Puerto Belgrano Naval Base marking the Day of the Marines. On this occasion he expressed confidence that "should the country's situation improve, the Armed Forces will be in a better position to exercise its professionalism, with greater capacity and justice."

Regarding the trial of former military juntas and those responsible for the Malvinas war, he said: "We are respectful of the courts" and added that within the framework of that respect "we also express our hope that the path to the future will become clearer for us."

He concluded by saying that "in our country we have lived through different experiences that through the years have resulted in some frustrations and achievements as well." He added that this "has given us the conviction that, under the institutional order, the stability and continuity of the institutions will prevail in accordance with the Constitution itself."

ALFONSIN SCORES EC 'MERCILESS ECONOMIC POLICY'

PY211616 Buenos Aires TELAM in Spanish 1054 GMT 21 Nov 85

[Excerpt] Buenos Aires, 21 Nov (TELAM) -- President Raul Alfonsin has said that the state will have to assume its part of the international crisis. However, the efforts will have to be equitable because even though the agricultural-livestock sector is enduring difficult times, the Argentine people are enduring even more difficulties despite their efforts to bequeath a better country to their children, he said. The head of state made these statements last night at the annual meeting of the Agricultural-Livestock Intercooperative Council (Coninagro), saying we can all get together and cry and blame each other for the inherited evils or else we all work together.

Regarding EC protectionism and subsidized prices, Alfonsin said the EC is implementing a merciless economic policy. He added, however, that this policy is not reflected in bilateral dealings with EC member countries. In my opinion, Argentina is suffering the greatest economic aggression a country has ever endured during modern peacetime at the hands of the EC, Alfonsin reiterated. Alfonsin said that we will be able to cope with the risks if we actually manage to set our economy on a sound footing, building our growth on a solid foundation, and finding the way to implement joint actions in Latin America, actions strong enough to serve as reprisals for economic aggression, which is crying out to heaven and which constitutes a true injustice of universal character.

Alfonsin added that what is happening with meat and grain is also happening with other products and reflects a situation in which because of "dumping," Argentina enjoys the sad privilege of being the country that suffers most from the EC's agrarian policies.

2 LARGE BANKS FAIL, TAKEN OVER BY GOVERNMENT

PY220005 Rio de Janeiro LATIN AMERICA DAILY POST in English 21 Nov 85 p 1

[Text] Brasilia (DAILY POST) -- Government controllers Wednesday took over three private banks -- including two of the country's largest -- after they failed under the weight of more than U.S. $700 million in bad loans. About 400 Central Bank auditors moved in to assume control of the Banco de Comercio e Industria de Sao Paulo (Comind), and the Banco Auxiliar. The two ranked sixth and seventh among Brazilian banks last year, officials said. Also taken over was the much smaller Maisonave Bank. Authorities said the three institutions had a total of 421 branches.

Announcing the takeovers late Tuesday, Finance Minister Dilson Funaro said all small savings and cash deposits will be protected. The financial daily newspaper GAZETA MERCANTIL, citing government sources, said Brazil's Central Bank will also honor some U.S. $162 million the banks owe to U.S. lenders.

The government moved to idspel reports that other banks are in trouble. "The rest of the market is solid," Finance Ministry spokesman Marco Antonio Brandao said. "There are lots of rumors, but the government action is limited to these three banks." In a statement, the Central Bank said the institutions involved in Wednesday's takeover had "loaned too much, and there were loans of very difficult recovery." Funaro said the uncovered loans totaled the equivalent of U.S. $764 million.

The Comind Bank was founded over 90 years ago by rich coffee barons. But in recent years, it made excessive and poorly secured loans and lost a large amount of money when the Sul Brasileiro Bank crashed a year ago, financial sources said. Comind also made bad loans to the Sunaman ship building agency, now being investigated for financial mismanagement, and to the Brasilinvest investment group, which also failed, said the sources. The sources said the Auxiliar Bank was guilty of similar poor practices. The GAZETA MERCANTIL said Comind's problems escalated in March when a major unnamed U.S. bank discovered Comind was manipulating New York credit markets. The U.S. bank refused to renew short-term loans to Comind, forcing the Brazilian Central Bank to step in and help Comind in order to protect Brazil's overall foreign debt credibility, the newspaper said.

Funaro said the government gave the banks some U.S. $500 million in credit earlier this year to help them resolve their problems. But authorities had decided the banks should receive no more public money, the minister said.

Under the "extra-judicial liquidation" ordered by President Jose Sarney, the Central Bank will sell off banks assets and the private property of directors until all liabilities are met. Any shortfall will be shared by all creditors. Sarney also ordered a change in bankruptcy laws to ensure liabilities would keep pace with Brazil's 200 percent inflation rate.

Government Response Outlined

PY212210 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Nov 85 p 1

[Text] The government yesterday decreed the liquidation of three financial corporations. The decree-law signed by President Jose Sarney closed Comind and Auxiliar of Sao Paulo and Maisonnave of Rio Grande do Sul.

Even though the liabilities of the three corporations amount to 6.8 trillion cruzeiros, Finance Minister Dilson Funaro gave assurances that the government will return all demand deposits on 2 December and that the corporations' employees will keep their jobs for 6 months. One of the reasons for the liquidation was the unsecured liabilities of Comind and Auxiliar in the New York banking system -- some $160 million -- which will be repaid by the Central Bank. The government had already bailed out the three corporations by pumping 3.3 trillion cruzeiros into them.

Dilson Funaro said that the three corporations' assets can cover only 50 percent of their liabilities. The recorded capital of Comind -- the Sao Paulo Commerce and Industry Bank -- amounts to 442.3 billion cruzeiros. Comind has 317 branches throughout Brazil, a "leasing" [given in English] firm, an investment bank, a savings bank, and a brokerage and distribution firm. Auxiliar, with capital of 322.6 billion cruzeiros, has 87 branches and other subsidiaries. The Maisonnave bank of Porto Allegre is small: it has 17 branches and its capital is 13.9 billion cruzeiros.

1986 ECONOMIC TARGET FOR IMF PREPARED; NEW LOAN

PY200123 Rio de Janeiro LATIN AMERICA DAILY POST in English 15-18 Nov 85 p 5

[Special to the DAILY POST by Tom Murphy]

[Excerpt] Sao Paulo -- The government announced this week that it will have a 1986 economics target plan ready for International Monetary Fund inspection by December 16. The targets plan will mark formal resumption of negotiations aimed at financing Brazil's $104 billion foreign debt. The plan was originally scheduled to be ready by Nov. 30.

The IMF has demanded a target plan before discussing new standby loans to help Brazil service its debts. Foreign bankers, for their part, have demanded IMF approval of the targets before resuming talks aimed at a 15-year stretch-out of $45.3 billion in loans currently due by 1991.

Sources said the target plan will probably include estimated 1986 inflation of 160 percent, down from the current 213 percent; government deficit spending equal to 1.7 percent to 2 percent of Gross National Product; and a minimum of 5 percent real GNP growth. Sources said completion of the target plan by mid-December will be accompanied by announcement to the nation of a new set of economic measures. These are expectedto include tax increases designed to raise 40 trillion cruzeiros.

In other action on the debt front this week, Central Bank President Fernao Bracher said Brazil will almost surely have to seek an additional 90 day to 120 day extention of $16 billion in short-term loans. The loans are due to expire Jan. 17. Previously bankers and government officials believed Brazil could successful complete the broader debt negotiations by that time. However, now most bankers say it is unlikely the IMF and stretch-out talks will be concluded by Jan. 17.

Brazil Wins World Bank Loan

Brazil this week won final approval of a big World Bank loan for electrical energy expansion, the Mines and Energy Ministry announced. The ministry announced the awarding of a $712 million loan to be used for four regional power producers covering much of Brazil's most populous states from South Bahia to Sao Paulo.

The ministry said the loan money will be used to expand generating capacity as well as transmission and substation capacity. The ministry said the loan money was granted on the condition that Brazil increase its domestic power rates in order to guarantee the long-term profitability of the energy investments.

GENEVA YIELDS ONLY AGREEMENT TO CONTINUE DIALOGUE

PY211804 Sao Paulo Radio Bandeirantes in Portuguese 1450 GMT 21 Nov 85

[Text] -- The summit conference on nuclear weapons has ended. Ronald Reagan and Mikhail Gorbachev have broken their silence but said nothing. Nevertheless, we will discuss Genevea with Newton Carlos, political analyst for the Bandeirantes press staff. [Begin recording] Good afternoon. At the end of the Geneva summit conference there are two things to be taken into consideration:

First, the common document, the document jointly signed by the United States and the USSR. This document is more a goodwill statement than anything else. It promises to accelerate the disarmament negotiations; to reduce cold-war tension; not to allow the proliferation of atomic weapons; to end chemical weapons; to promote all types of exchanges -- scientifical, technological, etc.; and to continue the dialogue. The United States and the USSR will continue their dialogue.

Second, Mikhail Gorbachev's press conference. In this press conference, we learned that there had been many divergences during the 2-day talks. We must go from words to action, from intentions to facts, warned Gorbachev.

There was no agreement on the conference's main issue: Reagan's "star wars" project -- the construction of a space shield. In a short speech, Reagan said that Americans and Soviets are treading a good path, but, according to Gorbachev, Reagan continued to insist that his space shield is a defensive system, not an offensive weapon. Gorbachev reacted by saying that it is an offensive space weapon that can be used against rockets, satellites, etc, and that this weapon has not been accepted by the Soviet Union.

The Soviet leader was tough in his press conference. He promised an adequate response [Carlos changes thought], called for an adequate response if the United States insists on continuing research and development for the space shield project. [words indistinct]

The Geneva summit conference may seem like a success in diplomatic language, in the diplomatic language of its final document, but it has been no success in obtaining concrete results. Nevertheless, no matter how insignificant it may seem, at least the dialogue will continue, and this is very important.

From Geneva reported Newton Carlos. [end recording]

VIANA SAID REPLACING SETUBAL AS FOREIGN MINISTER

PY212101 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Nov 85 p 5

[Text] Planalto Palace sources stated yesterday that Senator Luis Viana (PDS) [Social Democratic Party] is one of those most likely to replace Foreign Minister Olavo Setubal (PFL) [Liberal Front Party].

The sources added that President Sarney had reportedly extended the invitation even before the foreign minister announced his candidacy for the Sao Paulo governorship, and reiterated it immediately after the elections. Viana is part of Sarney's circle of personal friends, and within the PDS he has tried to remain independent of the positions adopted after the formation of the Democratic Alliance. Although he has visited the Presidential office several times over the past few days, the Bahia state senator has not yet confirmed the invitation, but the sources have reported that his name is being repeated increasingly due to his political and administrative experience: He was civil household chief and then justice minister in the Castello Branco government. This is his second term in the Senate, over which he has already presided, and he has been a member of the Foreign Relations Committee. He is Sarney's colleague in the Brazilian Academy of Letters, which elected him in 1954.

KALASHNIKOV-LED SOVIET MISSION ARRIVES 18 NOV

PY200231 Rio de Janeiro O GLOBO in Portuguese 19 Nov 85 p 24

[Text] A Soviet delegation led by Tyazhpromeksport Chairman Yuriy Kalashnikov has arrived in Brazil with the main objective of purchasing iron ore and pig iron and of selling equipment for processing minerals. According to advisers of the Rio Doce Valley Company, the talks could include an agreement for Soviet participation in establishing a pig iron industry in Minas Gerais State. The Soviet officials arrived yesterday in Rio de Janeiro and are leaving today for Vitoria, where they will visit the ports of Tubarao and Praia Mole. Later, they will visit the mines of Itabira (Minas Gerais) and Carajas (Para State) and the port of Ponta da Madeira in Maranhao State.

FRENCH HELICOPTER CONTRACT RENEGOTIATED

PY200207 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 15 Nov 85 p 2

[Excerpt] Rio de Janeiro -- Air Force Minister Moreira Lima, who yesterday visited the Campo dos Afonso Air Force Base in Rio de Janeiro, said that the Brazilian Air Force [FAB] will receive 50 new helicopters with the renegotiation of the "Super Puma" contract, and that the Amazon region will have a twin-turbine squadron.

With the contract renegotiation, the FAB will have 10 Super Puma helicopters; 10 Ecureil helicopters (in Brazil they are called Esquilos); and 30 single-turbine Ecureil helicopters. The country will have a balance of $2 million for the purchase of spare parts. If this $2 million balance is not used, the FAB can use it for purchasing other types of materials. In the contract signed with the French enterprise Aerospatiale, the Air Force managed to resell six Puma helicopters of an model earlier than the helicopter it will receive in March.

The contract that has now been renegotiated was signed in December 1984 for $92 million and foresaw the purchase of 15 Super Puma helicopters. The renegotiation has been carried out by the Air Force Staff. The review of the contract has made it possible to establish a twin-turbine squadron in the Amazon. The possibilities of establishing a helicopter unit in Belem are also being analyzed.

According to the Air Force minister, the establishment of a twin-turbine squadron in Manaus, which has already been decided, will permit helicopters to replace the Catalina aircraft which have already been deactivated, in effectively assisting the needy population in certain areas of the Amazon region.

RALLY IN SANTIAGO DRAWS 1 MILLION DEMONSTRATORS

PY220155 Paris AFP in Spanish 2343 GMT 21 Nov 85

[Text] Santiago, 21 Nov (AFP) -- Under the slogan "Chile Demands Democracy," hundreds of thousands of demonstrators gathered today in Santiago in one of the largest demonstrations ever staged by the opposition seeking the end of the military government of President August Pinochet. "We have had enough of dictatorship, we want democracy," some of the signs read, while the columns that marched to the O'Higgins Park chanted with one voice: "and he will fall.. and he will fall..." The rally, called by the centrist Democratic Alliance [AD] and supported by the leftist Democratic and Popular Movement [MDP], surpassed the demonstration staged in the same place 2 years ago by the opposition, diplomatic sources reported.

In the afternoon, a few hours before the demonstration began, the columns of demonstrators filled the adjacent streets leading to the park, which is the heart of Santiago, where the people were in a gala mood. The stores in the heavily populated sector near O'Higgins Park closed their doors very early, while an unending march of youth carrying flags, signs, symbols and placards could be observed.

Police forces were posted a few blocks away to avoid confrontations with demonstrators.

There was a large percentage of youth, women, workers, and employees dressed in suits and ties among the participants in the rally, and they quickly filled the ellipse of the 100,000-square-meter park, where followers of [word indistinct] the different organizations competed in clever ways to demand an immediate return to democracy.

Traffic had been routed along other streets, and the participants of the rally had to walk long distances to reach the park, which is located some 10 minutes from downtown Santiago, while the metropolitan trains stepped up service to move the demonstrators. On Alameda, the main avenue in Santiago, the flow of traffic decreased considerably, and the absence of urban transport and of pedestrians was also noticeable.

It has just been reported that 1 million Chileans are present at the park, but outside there are hundreds of thousands who could not enter. This is the largest rally ever held in Santiago, Christian Democrat Gabriel Valdes stated at the beginning of his speech. He was the only speaker at the rally.

On the stage, six empty chairs symbolized the absence of union leader Rodolfo Seguel and of five other union leaders who were jailed almost 2 months ago after being accused of subversion by the government.

Juan Hamilton, vice president of the Christian Democratic Party, stated that this rally is far larger than that held in 1983, and it can never be compared to the homages paid during the first years of this government. He warned that the authorities must listen to the voice of a people gathered massively to say they have had enough of this regime, and it is good and sound for the country to return to democracy. This is what the National Accord is requesting and this is what the great majority of Chileans are supporting, he added.

Thousands of Chileans returning to their homes after the rally blew the horns of their cars rhythmically on Alameda Avenue, making a rather deafening row around La Moneda Presidential Palace.

U.S. AMBASSADOR SEEN AS INTRODUCING 'NEW FACTORS'

PY210020 Santiago HOY in Spanish 11-17 Nov 85 pp 6-9

[By Ascanio Cavallo]

[Excerpts] A few things are being said about Harry Barnes. For instance, it is said that he was not very enthusiastic about his appointment as U.S. ambassador to Chile last April. After all, the jump from a Third World power like India to a country under an "entrenched regime" (as President Ronald Reagan described Chile a couple of months ago) cannot be considered a promotion. It is also said that since April he has become convinced he can play an important role in Santiago.

The novelty in the case of Harry Barnes has to do with two messages -- the sources assured me that they are two letters -- addressed to President Augusto Pinochet. One is from President Reagan. In addition to the protocol greetings, this letter is intended to convey the idea that Barnes has the support of the U.S. presidency and that the new ambassador's opinion that Chile should move more rapidly toward democracy is shared by the U.S. Administration.

The other is a friendly message from General Vernon Walters, with the tacit approval of the Pentagon, thus assuming a new role in his long career of "discreet missions." General Walters took it upon himself to recommend to Pinochet -- as a friend, of course -- that beyond the importance of his hemispheric role, it was time to think about easing his control.

The Washington sources assure that, at any rate, the letters being carried by Barnes are mild compared to the position of another leading actor in U.S. foreign policy: The U.S. Congress. Congress thinks it would be more advisable once and for all to tell the Chilean regime that the United States harbors no sympathy towards it. This is a sentiment growing in the ranks of the progovernment Republican Party and actively cultivated by the Democratic Party.

Did the Chilean Government know something about the letters Barnes brought?

We are not sure. The government was so preoccupied with the arrival of the new ambassador last week that he was included in the agenda discussed by Pinochet and the Junta at a luncheon on 7 November. In fact, the event was scheduled as a tea at the El Melocoton residence.

But Pinochet was sick (reportedly with inflammation of the lymph nodes), and the meeting could not be postponed. Since the president's condition improved, his activities were rescheduled on Wednesday afternoon, 6 November. For Thursday morning, 7 November, a meeting was scheduled with the Cabinet, the Junta, and the military and police commanders to analyze the 5-6 November protest demonstrations and the recent terrorist acts.

Sources at the La Moneda Palace told HOY that 2 weeks ago Pinochet talked separately with his Cabinet and the Junta about the possibility of reinstating a state of siege. The sources reported that the Junta opposed the idea, but that Pinochet had managed to condition the final answer on developments at the beginning of the protest demonstrations. Some ministers -- particularly Francisco Javier Cuadra, the Government Secretary General -- in their opening remarks also insinuated the possibility of reinstating a state of siege, while others (like Justice Minister Hugo Resende) did the same in their closing remarks.

The Junta's opposition to those insinuations was voiced by Admiral Jose Toribio Merino, who said that the extreme left opposition "wants to push us into a state of siege, which the other countries do not want."

The admiral -- who not coincidentally travelled to the United States recently -- has been the only authority who has publicly, not once but several times, recognized the adverse effects of the state of siege and the international pressures exerted against it. HOY has learned that Merino's remarks were not well received in La Moneda Palace, and Pinochet told him so at the luncheon on Thursday, 7 November.

But Pinochet had another, weightier reason to be cold toward the admiral, who during his remarks had said that "violence leads nowhere; dialogue leads somewhere; things have to be talked over to see what they are; then move ahead." That was virtually the first time since the 1983 "liberalization" that someone in authority has referred to the idea of a "dialogue."

On what basis? The suggestions that HOY learned about are more surprising than they may seem at first glance.

A few weeks ago (HOY number 432), when Merino was absent, FACH [Chilean Air Force] Chief General Fernando Matthei and Carabineros Chief General Rodolfo Stange had let Pinochet know that in the opinion of their institutions, the National Accord for the Transition to Full Democracy should not be disregarded much longer and a process of rapproachment with civilian sectors should be initiated.

According to well-qualified sources, Pinochet's response to that opinion was the invitation he extended to politicians, professors, and students to successive luncheons at La Moneda. The luncheons meant very little to the government and the Armed Forces. Paradoxically, only the dissenting remarks by Angel Faivovich and Jose Luis Cea Egana were considered valuable.

At the 7 November meeting, the position of Adm Merino, who had brought up the idea of "dialogue," was added to the position stated at a previous meeting by Gen Matthei and Stange.

Thus, the secrecy the Navy had been maintaining was broken, and it was broken in many ways. Reliable sources said that the Navy's position considers as "positive" the text of the National Accord for the Transition to Full Democracy, but does not judge its signatories or its applicability in the near future. According to the Navy, the important elements in the National Accord for the country's future stabilization should be duly appreciated, especially considering the origin of the document and its good international reception.

Surprisingly, similar opinions are also heard in the Army. That of Major General Luis Danus is the only one that is known publicly, but it quite faithfully reflects the thinking of a group of high-ranking officers, which they submitted in writing to General Pinochet 6 weeks ago. Since the generals had expressed their thoughts in the form of a memorandum, it could not be formally replied to. The whereabouts of the memorandum are not known.

It is known that Lieutenant General Cesar Benavides took the same position as his colleagues in the Junta at the luncheon on 7 November.

Two points were unanimously established at that time: a) The situation of immobility and crisis cannot be indefinitely continued, and since the "reverse gear" (state of siege) can not be used, only an "outward" initiative is possible; and b) at the same time, the legal structure of the regime must be strengthened (faster promulgation of the political laws?) and "viable alternatives" for 1989 should be considered (constitutional reform to modify the mechanism of succession?).

To reaffirm their opposition to a state of siege, the members of the Junta turned around an argument that Pinochet had wielded before. In the president's opinion, the validity of the measure was proven by President Raul Alfonsin in Argentina, who imposed it in the face of a wave of terrorist attacks. The Junta said that the international community was sympathetic, not antipathetic to Alfonsin and his democracy; the Argentine president came out of the internal elections strengthened, not debilitated.

Leaks of some information last week set off rumors that a new "opening" was being prepared at La Moneda Palace, something HOY had heard from political analysts nearly a month ago. According to sources in La Moneda, the 7 November meeting reached no conclusive decision in that regard, but it laid down the basis for the regime's next moves.

The permission granted to the Democratic Alliance to hold a rally in O'Higgins Park on 21 November to hear Gabriel Valdes is not part of that picture. HOY was told that permission was granted on the supposition that the rally will fail. Why? we asked; we were told that "there will be transportation problems; the Santiago access roads will pose difficulties; the road to Valparaiso will be undergoing repair; the cracks on the Panamericana Sur Highway will need repairs in a few days."

Part of that picture of finding a way out for the government are the "discreet" efforts of Foreign Minister Jaime del Valle to have his Argentine colleague Dante Caputo convey a "truce" message to the opposition. In the Cabinet, the position of Minister del Valle is echoed by Interior Minister Ricardo Garcia Rodriguez. Both ministers are the most sympathetic, so to speak, toward the Catholic Church's efforts. And both know better than anyone else the influence the new factors, revolving about the central figure of Ambassador Harry Barnes, may have in the near future.

In the United States, Barnes consulted with political scientist Paul Sigmund; he carefully studied the investigations by Mark Falcoff, and had frequent contacts with Amnesty International. At the initiative of the State Department, whose officials had received with particular interest the prelate of the Chilean Church, Barnes last week was given a chance to learn about Cardinal Juan Francisco Fresno's opinions and purposes directly from him.

When Ambassador Barnes arrived in Santiago on Saturday, 9 November, he brought with him several cards to play: His credentials, the messages, and the knowledge that the Chilean deck of cards is difficult to shuffle.

1986 PUBLIC SECTOR BUDGET BILL APPROVED

PY201358 Santiago Domestic Service in Spanish 1000 GMT 20 Nov 85

[Text] The Legislative branch has approved, in its regular session, the public-sector budget bill for 1986. The bill provides for a budget of 981 million Chilean pesos, and $761 million [as heard]. Finance Minister Hernan Buchi has reported that the budget will now be submitted for the president's approval and is expected to be published on 1 December. Minister Buchi added that in the next few days, Budget Director Jorge Selunde will release more details on the budget bill approved by the Government Junta.

FPMR LEADER INTERVIEWED ON CURRENT ISSUES

For the text of an interview with an unidentified leader of the Manuel Rodriguez Patriotic Front broadcast over Moscow Radio Magallanes in Spanish to Chile on 14 & 15 November, see the Latin America & Caribbean section of the 20 & 22 November Soviet Union DAILY REPORT.

M-19 SUSPENDS OPERATIONS OVER ARMERO TRAGEDY

PY211912 Paris AFP in Spanish 1758 GMT 21 Nov 85

[Text] Bogota, 19 Nov (AFP) -- The Colombian guerrilla organization M-19 announced today that it will suspend operations in urban areas in the face of the emergency situation caused by the eruption of the Nevado del Ruiz volcano, which killed more than 21,000 Armero residents.

In a clandestine communique, the M-19 announced that by order of the General Command and in the face of the grief and hardships caused by the Nevado del Ruiz tragedy, all offensive operations in urban areas have been suspended.

The M-19, which was responsible for the 6 November takeover of the Palace of Justice in Bogata which ended 1 day later with the death of at least 97 people, today sent a copy of its communique to AFP. The M-19 announced that the decision to suspend operations in urban areas was made on 16 November, that is, 3 days after the Ruiz tragedy, and urges all people's militia members to join the rescue efforts. Today, every effort should be focused on solving the many problems created by the tragedy and we want to help overcome this emergency, the M-19 document says.

The communique is signed by Alvaro Fayat, the top M-19 leader; and by Antonio Navarro Wolff, Carlos Pizarro Leon-Gomez, and Gustavo Arias Londono, members of the M-19 High Command.

FIVE DEAD IN M-19-EPL JOINT ATTACK IN ANTIOQUIA

PA211907 Bogota Television Service in Spanish 0000 GMT 20 Nov 85

[Excerpt] The attacks by rebel groups in Urra and Mutata in Antioquia Department left one policeman, two civilians, and two guerrillas dead. It also signified the breaking of the truce by the Popular Liberation Army [EPL]. For the first time during the 20 months that have elapsed since the truce was signed, the M-19 [19 April Movement] and the EPL staged the attack jointly.

The M-19 has already established alliances with the Quintin Lame, Ricardo Franco guerrilla groups, and now with the EPL.

Some 25 policemen defended their garrison for 7 hours as well as the Cattlemen's Bank and the township. The rebel attack was staged yesterday in that township by the M-19 and the EPL. The occupation began at 1045 in the morning when seven vehicles carrying guerrillas arrived. They left at 1730. It was confirmed that Rosemberg Pabon participated, while others say that Vera Grave also took part. What is true is that it was a joint operation carried out by the M-19 and the EPL. The rebels shouted slogans and distributed pamphlets. The result of the attack was the death of John Jairo Suaza, a policeman. Two rebels were killed and 10 were wounded and sent to the hospital, but they were later taken out, and they left in vehicles for the mountains.

M-19 ISSUES STATEMENT ON JUSTICE PALACE ATTACK

PA220035 Bogota EL TIEMPO in Spanish 14 Nov 85 p 7 A

[By Ramiro Castellanos A.]

[Excerpt] The M-19 [19 April Movement] claimed responsibility for its action in the attack on the Palace of Justice in Bogota, and presented a statement on this bloody episode that ended with the death of almost 100 persons, among them 11 justices of the Supreme Court of Justice.

The clandestine organization identifies its main victims, admits that the operation was basically military, and reports that several guerrillas captured alive have disappeared.

The statement is signed by a large number of subversives, including Vera Grave Lovenherz, Liberdo Parra ("Oscar"), Rafael Arteaga, and Afranio Parra, all of whom were initially included on the list of the dead.

The M-19 also reveals that, among others, the following leaders of their movement were killed: Luis Eduardo Otero Cifuentes, Andres Almarales Manga, Alfonso Jacquin, Guillermo Elvecio Ruiz, Ariel Sanchez, Jose Domingo Gomez, Vilma Franco, and Marcela Sossa. According to the document, 35 guerrillas from the "Ivan Marino Ospina" company entered the Palace of Justice to carry out the Antonio Narino Operation for Human Rights. According to the Army, the 35 rebels were killed in the clashes.

The statement was sent by mail to this newspaper, along with a copy of the "armed demand" the guerrillas presented to the Supreme Court to try the government because of the peace process, a small biography by Otero Cifuentes, and a copy of a letter to former Justice Jaime Pardo Leal, president of the National Association of Judiciary Branch Officials and Employees (ASONAL-Judicial). Additions to the document point out that the government ignored urgent calls for a ceasefire, and annihilated the republic's jurisdictional power.

The M-19 states that "today the grieving nation demands an explanation for the holocaust at the Palace of Justice on Thursday, 7 November 1985, and that today more than ever, there is an urgent and unpostponable need to achieve peace for Colombia."

The group states that "public opinion is not yet aware of the entire truth, and the government is trying to justify its action with arguments foreign to reality and national sentiment. This attitude only leads to a confrontation with the government's unreasonable hatred and further sets back the possibility of constructing peace by means other than that of the guerrilla. This is why today our nation's democratic conscience must demand the truth, only the truth, and nothing but the truth regarding the social, political, and military facts that put us face to face with our immediate collective fate."

"On our part we assume the responsibility for our actions with a clean conscience, with dignity, and with deep pain over the sacrifice of men and women who did not directly participate in the confrontation, over our fighters and the patriots who fought in the oligarchical ranks."

The statement maintains that the M-19 came before the Supreme Court to present the demands of a nation that is bleeding and smothering due to policies decreed by executive and legislative branches that go against the achievement of peace.

It adds that "we sought to state our reasons before this tribunal of honor and publicly try the violation of the agreements on a ceasefire and social reform" as well as to bring suit against this regime for violating the National Constitution, for giving up our economic and juridical sovereignty, and for betraying national hopes." [quotation marks as published]

"We came before the Supreme Court of Justice invoking our rights because as a people's army we advocate the defense of the constitutional body, and struggle for its implementation. It was an armed demand because today the rights of men and citizens must be guaranteed with the force of arms."

The statement adds that "in honor of truth and democracy we took the Palace of Justice. It was not an effort to demand patronage or personal benefits, not to attack the court or its representatives. We have never attacked nor will we ever attack workers of the judicial sector. On the contrary, we went there because it is a court of honor and laws, because the nation has sufficient reasons to politically and judicially try this government, and because the Supreme Court and the State Council had shown conscientiousness and dignity. Only 3 months ago the present defense minister and the Colombian state were condemned as responsible for tortures and violations of human rights."

The Facts According to M-19

"From the very minute of the seizure, the government and the magistrates knew of our motives and our determination to defend the lives of those being held even at the expense of our own in the event of attacks against the Palace of Justice. Our proclamation reached all media and the government itself, but its dissemination was not permitted. Our defense was predicated on a military confrontation and not on taking hostages. For this reason, the M-19 fighters took up positions on the ground floor as well as on the second, third, and fourth floors of the building, the last two of which were considered the last line of defense. We never issued an ultimatum or threat to the government or the persons being held. We sought talks from the beginning but did not at any time express any readiness to accept a humiliating and shameful surrender."

The M-19 contends that the entry of the armored vehicles into the Palace of Justice before 2 hours of occupation had elapsed isolated the fighters on the lower floors from those holding positions on the higher floors and that resistance continued in the basements and on the first floor until the time of the fire.

The M-19 adds that the government did not heed the calls from Supreme Court President Alfonso Reyes Echandia, nor was the Cabinet moved either.

It claims that on the night of 6 November the entire government approved the complete overrunning of the Palace of Justice; that the fire in the building was started by the GOES [Special Operations Group], which caused many victims, including Reyes Echandia; and that the flames forced the insurgents and the civilians to seek refuge in the bathrooms on the third and fourth floors.

It notes that the government has tried to distort the objectives of the Antonio Narino operation and has denied their political nature through false reports about commitments between the guerrillas and drug traffickers.

The M-19 states that President Belisario Betancur's administration must answer for the slaying of "Commander" Andres Amarales, who was taken alive out of the Palace of Justice by the military, and for the lives of Alfonso Jacquim, Vilma Franco, Marcela Sossa (missing), Luis Otero, and Elvecio Ruiz as well as for those of seven fighters and several civilians headed by nine employees of the coffee shop. Likewise, it asks the government to explain why it released the false report saying that Vera Grave, Liberdo Parra, Afranio Parra, and Rafael Arteaga were involved in the operation.

The explanation about the seizure is signed by Alvaro Fayad, Carlos Pizarro, Antonio Navarro, and Gustavo Arias, among others.

Luis Otero

According to the M-19 statement, Luis Otero, who commanded the seizure of the Palace of Justice, was the one who participated in the theft of Bolivar's sword and of the weapons in Canton Norte as well as the seizure of the Dominican Embassy in Bogota.

Otero became famous -- along with others who were also students at the time -- when a group of students pelted Teodoro Moscoso, the U.S. representative at the inauguration of Techo, now called Ciudad Kennedy, with eggs.

The guerrilla belonged to the JUCO (Communist Youth of Colombia) and to the FARC [Revolutionary Armed Forces of Colombia] and was a founder of the M-19 along with Jaime Bateman Cayon, alias "Pablo."

BRIEFS

DEFICIT REDUCTION NOTED -- According to the latest reports from the Bank of the Republic, as of October 1985, the deficit in the balance of payments had been reduced from $1,721.7 million to $146.2 million, a decrease of 91.4 percent in the last 12 months. Revenues have increased 13 percent, and expenses have been cut by 20.4 percent. Non-traditional exports increased from $861.6 million in 1984 to $996.8 million in 1985, an increase of 15.7 percent. Revenues from coffee exports increased from $1,071,100,000 to $1,187,100,000, an increase of 10.8 percent. Imports were reduced from $2,589,700,000 in 1984 to $1,813,700,000, which represents a reduction of 30.4 percent. By 1986, Colombia expects to suspend oil imports, which will mean a savings of more than $500 million. [Summary] [Bogota EL SIGLO in Spanish 11 Nov 85 p 9 PA]

INTERNATIONAL RESERVES BALANCE -- Colombia's gross international reserves increased by more than $66 million during the first 10 months of 1985, it was reported by the Bank of the Republic. The Central Bank's Economic Investigations Department stated that the Colombian reserves increased to $1.954 billion between December 1984 and November 1985. The department also revealed that oil exports increased, the balance of payments' deficit was reduced from $1.721 billion in 1984 to $150 million, and coffee sales, the country's main source of revenue, generated $1.187 billion in profits, which represents a 10 percent increase. [Text] [Madrid EFE in Spanish 1410 GMT 14 Nov 85 PA]

GARCIA ANNOUNCES REPLACEMENT OF INDUSTRY MINISTER

PY201509 Madrid EFE in Spanish 1405 GMT 20 Nov 85

[Text] Lima, 20 Nov (EFE) -- Peruvian President Alan Garcia today announced that Cesar Atala, current minister of industry, commerce, tourism and integration will be replaced shortly and sent as ambassador to the United States. This is the first change in the Cabinet that was installed when President Alan Garcia took over as president on 28 July 1985.

The president stated that all ministers are presidential secretaries subject to constant evaluation and can be replaced at any time. Alan Garcia did not indicate who will replace Atala as minister of industry, commerce, tourism and integration.

SHORT-TERM FISHING AGREEMENT WITH USSR ANNOUNCED

PY201343 Lima Television Peruana in Spanish 0100 GMT 20 Nov 85

[Text] Peru and the Soviet Union will sign a temporary agreement (convenio puente) because the Soviet vessels have not fulfilled the agreement signed with the previous Peruvian Government through which they agreed to catch 200,000 tons of fish. This statement was made today by Fishing Minister Jose Palomino.

[Begin Palomino recording] We found that the previous government had signed an agreement with the Soviet Union that allowed (?1,000) Soviet ships to catch 200,000 tons of fish per year. Because of a series of problems, the Soviets were unable to catch the 200,000 tons. Although the term of this agreement expired on 26 August — that is, a few days after we assumed power -- the Soviets had only fished 140,000 tons.

[Word indistinct] proposed the Soviet Union, and we are in an advanced stage of negotiations. We proposed that before signing a long-term agreement, before adopting a long-term decision regarding our [word indistinct] relations, we should sign a temporary agreement through which they will be allowed to catch the 60,000 tons of fish pending from the previous agreement. This will take about 3 or 4 months.

What, then, is the policy Peru will adopt in this regard?

Depending on how things go with the Soviet Union during these 3 or 4 months, we shall decide whether or not to sign a long-term agreement. We want to make a decision based on real facts. Therefore, we have personally explained to the Soviet ambassador that we want to sign a temporary agreement for 60,000 tons and that later we shall discuss what will be done in the future. [end recording]

NEW ELECTORAL COURT PRESIDENT APPOINTED

PY211717 Lima Panamericana Television Network in Spanish 0300 GMT 21 Nov 85

[Text] Dr Alejandro Bustamante Ugarte will replace Dr Domingo Garcia Rada as president of the National Electoral Court. This has been announced by Dr (Osvaldo Gonzalez), secretary general of the court.

[Begin recording] [Unidentified reporter] Who will assume the presidency of the National Electoral Court?

[Gonzalez] The vice president, appointed by the Supreme Court at the same time it appointed the president. On that occasion, Dr Alejandro Bustamante Ugarte was appointed vice president. Therefore, he will now assume the presidency.

[Unidentified reporter] Has the Supreme Court announced the appointment?

[Gonzalez] Not yet. The decision was made only yesterday, and we have not yet been officially informed. [end recording]

PRESIDENT DISCUSSES AID TO CARIBBEAN COUNTRIES

PA210337 Caracas Television Service in Spanish 1600 GMT 20 Nov 85

[Recorded remarks by President Lusinchi in quotations]

[Excerpt] International analysts today highlighted President Jaime Lusinchi's statement about the need for mutual aid to the Caribbean countries. Lusinchi's statement was issued during installation ceremonies for the Caribbean conference, being held in Miami with more than 1,000 people and more than 23 leaders from the Caribbean zone in attendance.

"Venezuela, convinced that the region's problems are a result of poverty and that only a real social and economic transformation may guide the political processes toward the consolidation of freedom, peace, and democracy, believes that consistent and broad efforts must be exerted. Our sights must be set towards the future in solving the economic problems which afflict the zone. Therein lies a positive and secure route."

President Lusinchi continued by saying that current problems experienced by those countries will not be overcome without a revitalization of their economies. President Lusinchi said in addition to an orderly and steady growth of the world economy, these countries need a greater flow of state and private financing for the region, an increase in exports and investment, and bilateral and multilateral actions of cooperation commensurate with their needs and levels of development. President Lusinchi gave examples of what Venezuela is doing in this regard to help the Caribbean basin countries. He also noted that Venezuela has never turned its back on its neighbors' problems and will never be able to do this, basically because of solidarity and the certainty that in fundamental matters our destinies are inexorably united.

"Our efforts include the political situation faced by the region as well as its social and economic development. I cannot refrain from mentioning the efforts we have been putting forth since 1983 as a member of the Contadora Group. These have been tenacious efforts aimed at contributing to peace, understanding, and pluralist democracy in the stricken Central American area.

"Within the framework of economic cooperation, our efforts have also been firm. To define this economic cooperation, we have placed our trust in various multilateral oganizations and in determined and steady bilateral action throughout the years. Within our means, we have tried to meet the most basic needs such as, for example, the supply of oil. At the same time we have put at the disposal of the countries of the area the financial resources necessary to facilitate the development of projects as well as to satisfy their basic needs."

President Lusinchi continued by explaining that this is not only a matter of carrying out profit-making operations with the Caribbean countries but of a commitment that will have truly historic implications.

"This conviction has motivated Venezuela's determined participation in the regional financial organizations. As a member country of the Caribbean community and with an awareness of the urgent need to help overcome the crisis affecting the countries of the region, Venezuela firmly believes that the IDB and the Caribbean Development Bank represent a real possibility for financing according to the investment needs of the countries of the area and they can also contribute to strengthening the ties between these countries."

LUSINCHI MEETS WITH TRINIDAD AND TOBAGO LEADER

PA210339 Caracas Television Service in Spanish 0000 GMT 21 Nov 85

[Report by Elsye Barroeta from Miami]

[Excerpts] Venezuelan President Jaime Lusinchi met with George Chambers, prime minister of Trinidad and Tobago, the two heads of state discussed the fishing agreement that the countries will sign on Tuesday. Venezuelan Foreign Minister Simon Alberto Consalvi will go to Trinidad to sign this agreement establishing the fishing areas for the two countries and other conditions. The prime minister himself gave us this information when we interviewed him following his meeting with President Lusinchi.

Meanwhile, in Trinidad there is some concern because of the drug problem. This was also discussed during the meeting of the two heads of state. A commission was recently appointed in Trinidad to report on the level of consumption and drug traffic on the island. It has been said that a life sentence could be given to drug traffickers. What is most important is that the two countries wish to work together to fight this difficult problem.

The prime minister of Trinidad and Tobago also said that there are other areas in which Venezuela and Trinidad can work together. One such area is oil.

[Begin Chambers recording, in English] Venezuela has a great deal of experience and expertise in the management of the national petroleum sector. More than we have. We also have two refineries that are underutilized in terms of capacity, and we believe that there is room there for discussion with Venezuela and ourselves. [end recording]

In conclusion, Prime Minister Chambers said that relations between the two countries are pretty good and that he has accepted President Lusinchi's invitation and will visit Venezuela in March 1986.

President Lusinchi's agenda included a high level meeting with U.S. Vice President George Bush. Vice President Bush stressed the importance of the role played by Venezuela in hemispheric relations, especially the support that President Lusinchi has given to these relations.

In this manner, we complete this report on President Lusinchi's activities in Miami. The Venezuelan head of state will return to Venezuela tonight.

BRIEFS

SUCCESSFUL MISSILE LAUNCH -- The Venezuelan Army successfully hit a target with an Otomach MK 2 missile from a distance of more than 120 km. The missile was guided from a helicopter. The exercise was supervised by the defense minister. It involved striking the port side of the vessel "Guyayana" with a missile fired from the "General Salom." [Summary] [Paris AFP in Spanish 0104 GMT 17 Nov 85 PA].

INCREASED EXPORTS -- Venezuela increased its exports to countries on the American continent to a total of $309 million in the first 6 months of 1985 according to figures released by the Central Office of Statistics and Computer Science. Exports to Asia totalled $242 million; to Europe, $96 million, and to Oceania, 74 million bolivares. In the same period, Venezuela exported $15 million to the CACM; $45 million to ALADI, $4 million to Caricom; and $65 million to the EEC. [Summary] [Caracas Television Service in Spanish 1600 GMT 11 Nov 85 PA]

NO PROGRESS SEEN AT REAGAN-GORBACHEV SUMMIT

PA211628 Panama City LA REPUBLICA in Spanish 20 Nov 85 p 2

["This Day" column by Demetrio Olaciregui]

[Text] Arrangements for the meeting between U.S. President Ronald Reagan and CPSU Secretary General Mikhail Gorbachev were made in such minute detail that rather than being a summit meeting between the leaders of the two superpowers it gave the impression of being a romance between two matchmakers at which the topic that was least discussed was that of world peace.

The shots carried by satellite presented a President Reagan who prepared for the meeting by watching films of Gorbachev's public appearances during long sessions in order to determine how he should pose next to Gorbachev and how to better project his image to the U.S. public and to the European allies. Gorbachev was shown with a rather serious face and little reason for smiles.

The Reagan-Gorbachev summit was the first to be held after the one held by President Carter and Soviet leader Leonid Brezhnev in 1979 and the 10th held at the highest level by the two superpowers since the end of World War II in 1945. The summit meeting was of particular significance to Washington and Moscow as well as to the allies of both in Europe but did not represent the same for the Latin American, African, and Asian countries as well as the so-called Third World. Although the two leaders broached the subject of regional conflicts in Geneva, any conclusion they may have reached will do little to ease the tension in Central America where, according to all indications, a worsening of actions against Nicaragua may be expected. Since it is so close to home, the case of Central America has become extremely difficult for those who are promoting negotiations for a peaceful settlement among the five area countries.

The efforts of the Contadora Group, which should have ended within 45 days from October [as published], seek a commitment among Central Americans to sign the so-called Contadora Document for Peace and Cooperation in Central America. The efforts have not managed to overcome the issue of the arms buildup and a reasonable balance of forces, particularly between Honduras and Nicaragua. This is keeping the negotiations bogged down and threatens to result in a failure that would result in an expansion of the war into Honduras and Costa Rica.

In face of these concrete realities, which keep pacifists in Central America worried, the thought of even a possibility of a nuclear attack against any city in Europe or the United States makes one shiver. Nuclear arsenals are so vast and sophisticated that one's imagination cannot conceive what may happen in the world if one of the superpowers takes a first step to launch a nuclear offensive.

That is why the fact that President Reagan and Gorbachev devoted their sessions to flirting in a manner that looked more like romantic scenes than like they were searching for a responsible and sincere reduction of the nuclear arsenal is exasperating. Despite Reagan's smiles and courtesies and Gorbachev's cold cordiality, the profound differences over control of the arms race were not overcome. The fundamental issue is disarmament, while there are apparently possibilities to prolong the final outcome of world destruction for a few years.

In Geneva, the two superpowers did not play a role that looked like an effective effort to stop the arms race.

The United States has not been able to dispel the impression that President Reagan heads an irresponsible government that is not prepared to reverse the course of the arms race, with differences of opinion about the arms race still persisting within the Reagan administration. Moreover, the Soviet Union has a leader, Gorbachev, who does not fully control the levers of the Soviet system and is not in a position to make concessions to smooth the road of the negotiations. In addition, the Soviets are centering the issue of the arms race almost exclusively on the U.S. military-industrial complex, which serves as a basis to the Strategic Defense Initiative, better known as "star wars," which seeks to take the danger of a nuclear conflagration to nowhere less than the cosmos.

At the Reagan-Gorbachev summit the two leaders gave political impetus to the negotiations on disarmament but built a system that is ready for nuclear war and is very hard to dismantle. The technicians will not be able to make progress in this area because the course has been set for confrontation. If it does not occur today in Central America it may take place tomorrow in the Middle East, Southeast Asia, or southern Africa. There is no reason for optimism. While Reagan and Gorbachev projected the image that they were negotiating for true disarmament, their military commanders are making plans for sudden destruction.

MCGRATH DISLIKES HANDLING OF LA PRENSA INTERVIEW

PA212357 Panama City LA PRENSA in Spanish 19 Nov 85 p 1 A

[Letter sent by Msgr Marcos G. McGrath, archbishop of Panama, to LA PRENSA editorial office on 18 November]

[Excerpts] Dear Mr Director. This letter contains reflections and observations on a LA PRENSA front page interview with me published on Sunday, 17 November.

Any "dialogue" to reach an "understanding" or national agreement must take place within a positive framework of mutual respect and tolerance between the parties involved in a discussion. We are not talking about an "agreement" to suppress all legitimate differences or to silence fair criticism, but one that despite these will help us achieve the common objectives of all Panamanians.

The "verbal war" among our media, especially the press, is a serious obstacle to achieving this objective. It separates and confronts readers from both sides, making them assume unyielding positions, and creates mutual resentment.

On 17 November, you gave an example of this "partiality," in the case of an interview with me. A front page headline read: "McGrath: Attitude of the National Government Impedes a National Agreement." The first paragraph of that article dwells on this without providing any quotations.

It is evident that this "verbal war" does not come from one side only; you are not the only one to blame for "editorializing" the news. It is not difficult to imagine that the same interview reported in a "governmental" newspaper would have appeared under a similarly large headline reading: "Attitude of the Opposition Impedes a National Agreement." Too often the same news is reported in opposite ways.

I take advantage of this opportunity to urge the press to work toward a more objective, tolerant, and respectful journalism. This would constitute an honest endeavor and would restore credibility in all Panamanians.

Mr Director: I hereby ask you to publish my full letter, just as I sent it to you. Attentively, Marcos G. McGrath, Archbishop of Panama

DIPLOMATIC RELATIONS ESTABLISHED WITH LUXEMBOURG

PA210356 Panama City CRITICA in Spanish 19 Nov 85 p 2

[Joint communique issued by the Governments of the Republic of Panama and the Grand Duchy of Luxembourg on 12 November 1985; released by Panamanian Foreign Ministry on 18 November 1985]

[Text] The Government of the Republic of Panama and the Government of the Grand Duchy of Luxembourg, desirous of strengthening the bonds of friendship that exist between the Panamanian people and the people of Luxembourg, and desirous of consolidating and intensifying the cooperation between the two countries in the political, commercial, and cultural fields, have decided to establish diplomatic relations at the embassy level, effective this date.

Luxembourg, 12 November 1985

His Excellency Jorge Abadia Arias, for the Government of the Republic of Panama

His Excellency Jacques Poos, for the Government of the Grand Duchy of Luxembourg

COSTA RICA

INVESTIGATIONS OF SPADAFORA MURDER NEAR CONCLUSION

PA212149 San Jose Radio Reloj in Spanish 1200 GMT 21 Nov 85

[Text] The conditions under which the decapitated body of Hugo Spadafora was found on 15 September were reconstructed yesterday morning at Laurel. Present during the legal procedure were the attorney general of Panama, the city mayor of Ciudad Neilly, and officials from the OIJ [Judicial Investigation Agency]. It is believed that this procedure was carried out in view of the investigations being conducted by Panama concerning the murder of the former Panamanian health minister.

Attorney General Dr Fernando Cruz Castro announced that the investigations by Costa Rica of the Spadafora case are practically concluded. However, still pending is an overall analysis of the investigations in order to issue the conclusions reached by the National Police. Meanwhile, to anticipate any opinion might be risky and it might needlessly harm our relations with Panama.

Dr Cruz Castro commented that new evidence had been received in recent days which implicates persons linked to the Panamanian police. However, the new information provided by witnesses is not precise and therefore it cannot be said that the information is well founded, the attorney general explained. Otherwise, this might create frictions in our relations with Panama, without there being any valid reasons for this.

EL SALVADOR

FARABUNDO MARTI ON FMLN DOCUMENT ON DIALOGUE

PA211504 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 1830 GMT 19 Nov 85

["Communique issued to a U.S. press delegation in Chalatenango on 15 November" entitled: "Position of the FMLN in the Dialogue-Negotiation Process" -- read by announcer]

[Text] Our country has already endured 5 years of war which might continue as a result of the growing level of political, military, and economic intervention by the U.S. Government, which has also been the greatest obstacle for the development of dialogue and which permanently plots to close the possibilities for national understanding.

From the first month of the war, the FMLN and the Revolutionary Democratic Front [FDR] presented several initiatives for a dialogue, one right after the other. At the Ayagualo meeting 1 year ago, we submitted a proposal for an overall political solution. Our initiatives have been systematically blocked. The U.S. Administration, the Salvadoran Government and Army, as well as the local oligarchy, have based their hopes on defeating us militarily, with the support of U.S. power.

However, the facts of war say something else. In spite of the growing and strong U.S. intervention, we have been extending ourselves throughout the national territory and developing our forces in quantity and quality. In 1981, we fought in only five departments of the country. In 1985, we are fighting in 12 of the 14 departments. However, Reagan continues relying on the military solution while Duarte and the high command, blinded by their ambitions for political and economic power, meekly obey the orders from the imperialists and sell national sovereignty.

While it talks about sovereignty, the oligarchy profits from the war, continues taking capital out of the country, and also thinks we will be defeated in the military field which will ensure that they maintain their privileges.

The 5 years of war have shown the capabilities of the FMLN to defeat, one by one, the various phases of U.S. intervention. The escalation of intervention is currently one of the greatest ones within the counterinsurgency experiences of U.S. imperialism. However, the euphoria of the alleged military successes of the Army over the FMLN dissipates and brings out in the open that we are also defeating the current phase of escalation.

Where is, then, the so-much announced military victory of the Army over our forces? The most optimistic estimates speak of several years. But such expectations have become very inexact. Reagan and his spokesmen have admitted it when they have said on various occasions that, without their military support, the Salvadoran regime would have already been defeated, and they do not rule out that it might be necessary to send their troops to El Salvador.

The situation our country is enduring can have only but two immediate possibilities: first, prolonging the war with a high probability of intervention by foreign troops, including U.S. troops; second, a political solution to the conflict that will attack the economic, political, and social causes that led to the conflict and that will lead to peace with independence, justice, and liberty. Only Reagan -- who does not care about the destruction of the country if with that he manages to submit the country to his geopolitical dictates -- and the irresponsible ones who place their personal interests above those of the nation can choose prolonging the war.

Prolonging the war entails a cost that will burden the workers and means: A) a growing and greater capitulation of our national sovereignty to the U.S. Government: B) a continuation of the loss of human lives of people displaced by war, prisons, torture, unemployment, hunger, and poverty for our people; C) greater destruction of the already scarce material resources of the country; D) the bankruptcy of small, medium, and large enterprises; and E) the possibility that U.S. troops will stain our soil.

The FDR and the FMLN, convinced that we must strive to prevent a greater level of imperialist aggression and rescue our national independence -- before it costs more human lives and destruction of the country -- will continue promoting a political solution, through dialogue and negotiations. The basis of our constant search for a political solution cannot be found in concluding that all possibilities for a military victory will be closed if an option is imposed on us.

Let it not be believed that our will can be broken by the blackmail of intervention of foreign troops. We do not want this, but we are prepared to defeat it, should it take place. Our conviction is objective and our will is firm. Let it not be believed either that our fronts and the Salvadoran people can be easily deceived and manipulated in their desires for peace in order to turn the dialogue into an instrument for the benefit of the military strategy of counterinsurgency, as Duarte wants to do.

Blood has not been shed in vain. The people's aspirations should be satisfied and the objectives for which it has been fighting for decades should be achieved. Things cannot remain how and where they were prior to the war, or where they now are.

Within this framework, the goal of the FMLN and the FDR is that, through dialogue, we will reach an overall solution to the conflict that will recover and strengthen national independence, ensure the people's rights to self-determination, social justice, a respect for human rights, and the reorganization of power that will truly guarantee the majority interests of the working people.

In order to clearly state our position to the national and international political and social forces, we hereby present the FMLN-FDR principles, elements of analysis, political positions, and fundamental objectives in the dialogue process. Nevertheless, it must be clarified that none of these proposals, if considered in a separate way, can be taken as a specific negotiation proposal. We understand that the criteria on the gradualism [Gradualidad] and links between some topics within a framework of reciprocal guarantees for the parties involved must be maintained in every negotiation process that seriously intends to reach a political solution. In this sense, we maintain in force -- although open to discussion -- the political logic of the proposal we presented on 30 November 1984 in Ayagualo.

Fundamental Contents of Our Position

1. The causes that originated and justify our revolutionary popular war are not only still in force, but have also become more evident and deeper. The dialogue process cannot ignore this reality and not discuss it.

2. An objective and undeniable situation of duality of powers exists and is expressed in political, population [poblacional], military, and territorial terms.

3. We are a political-military force that is advancing and growing. We are sure we will achieve victory. We seek dialogue and the negotiated solution because we want to close the path to greater levels of intervention in our fatherland, rescue national independence, and avoid a greater social cost to our people.

4. Democracy cannot be achieved without independence. The U.S. intervention in our country must end in order to achieve peace. Therefore, the process of dialogue and negotiation must resolve this essential process [proceso].

5. The government is an interlocutor in the dialogue because it is the belligerent counterpart and not because it is legitimate. The past electoral processes are an integral part of the counterinsurgency plan and they lack any validity. As long as there is no independence and the elections have been controlled by the same genocidal and repressive Armed Forces that are now totally subordinate to the U.S. Government, we do not accept the government's legitimacy.

6. In the present conditions, none of the parties can seek, through the dialogue, the unilateral surrender of disarmament of the other and much less propose it as a precondition as the government unrealistically proposes in its peace proposal.

7. We do not recognize the country's constitution because the process used to draft it and that served as its foundation is vitiated. It seeks to generalize [generalizar] the existing unjust economic, social, and political order and to cover up the U.S. counterinsurgency plan we are defeating.

A new constitution will stem from the liberation and self-determination that the Salvadorans will achieve. This constitution will institutionalize a just and free society.

8. A negotiated peace through dialogue must include the formation of a provisional government with broad participation including the FDR-FMLN, while maintaining the FMLN's armed power, as well as the sectors that make up the present government and the maintenance of its Armed Forces. This provisional government would solve pending problems including the existence of two armies and would create the conditions that allow the Salvadoran people to democratically and freely decide the country's future path through truly free elections. We are not demanding the disarmament of the Armed Forces or the resignation of the present government. Instead, we are demanding that they join the process and the mechanisms that the peace accord will create. The counterpart cannot either demand the disarmament of the FMLN or try to exclude the FDR and the FMLN from participating in the provisional government. The fact that the FMLN maintains its weapons is the main guarantee that the people's interests will be respected and the working people's wishes will come true.

9. The idea of the humanization [of the conflict] assumes that the war will continue. The true humanization of the conflict can only be reached through a just overall political solution. The idea that the weapons will be gradually silenced only through successive humanization agreements is false.

10. We will strive at all times to carry out a dialogue for an overall negotiated solution. Consequently, we reject that the Duarte government continues to use the dialogue as a maneuver in favor of Reagan's policy against the Salvadoran people and its aggression and blackmail against Nicaragua.

11. The sabotage of the war economy is a strategic weapon of the people and the FMLN. It is negotiable in exchange for the government and its Armed Forces relinquishing equally strategic weapons.

12. The Duarte government dumps on the working people a large share of the costs of its war in addition to receiving a great deal of U.S. Government aid. Although the revolutionary war is basically financed by the people, the FMLN claims the right to impose war taxes on the big landowners and capitalists who are cooperating with the repression and are guilty of social injustice. We will discuss this issue. We are prepared to negotiate it if the government and its Armed Forces are prepared to give up Reagan's financing.

13. Although in many cases they are nonexistent and in no cases could a comparison be made between the alleged logistical supplies to the FMLN from abroad with the regime's supplies, we are willing to accept controls to eliminate them if the Army also stops receiving supplies of weapons and materiel from the United States.

14. We maintain our proposal for an overall solution that we took to Ayagualo as a basis for an overall political solution.

15. Dialogue should be serious, public, and opened to the participation of all sectors of the nation.

16. The dialogue as an effort for a political solution requires a mediation which, to contribute to that effort, must maintain an imperial conduct of respect for the equal rights of both sides. It also requires a small group of witnesses acceptable to both sides.

El Salvador, November 1985 [Signed] FMLN General Command. Commanders Joaquin Villalobos, Leonel Gonzalez, Jorge Handal Shafick, Roberto Roca, Ferman Cienfuegos

Duarte Rejects Proposal

PA212002 San Salvador Radio Cadena YSU in Spanish 1800 GMT 21 Nov 85

[Text] Questioned by journalists after inaugurating the second Central American business administration congress at San Salvador's Camino Real Hotel, Salvadoran President Jose Napoleon Duarte said that for the time being a dialogue with the guerrillas makes no sense because they want to sit with the government delegation to insult it as occurred in the last meeting on 30 November 1984 in Ayagualo, 15 km southwest of San Salvador in La Liberatad Department.

The FMLN has made a new proposal to the Christian Democratic government for a new dialogue after the two previous dialogues were paralyzed. The president said that there is no change in the new document because it is the same policy and because they are seeking a tactical dialogue. He also said: They are seeking a dialogue of confrontation. They want us to sit down in front of each other to see who says more or to see who says the worst things about the other.

During the inauguration of the businessmen's meeting, Duarte said that the country currently spends more than $1.8 billion but produces only $900 million which entails high losses for the country. As a result, he urged the businessmen to find solutions to overcome the deficit.

DUARTE REVIEWS CURRENT ECONOMIC SITUATION

PA220105 San Salvador Radio Cadena YSU in Spanish 1800 GMT 21 Nov 85

[Report by Joel Burgos]

[Text] The business administrator's challenge in face of the social-economic crisis will be one of the topics to be discussed at the second Central American Congress of Business Administrators, which began today at the Camino Real Hotel in San Salvador. While inaugurating the event, President Jose Napoleon Duarte said that El Salvador is facing an internal conflict which is nourished by external forces, and which affects the national life and absorbs a considerable amount of funds. Here is his statement:

[Begin Duarte recording] No one should ignore this. It is an element that reflects negatively on the national situation. I must also remind you that during the past decade and the beginning of this one, the country experienced a decapitalization, due to well-known circumstances, which also affects our economic process negatively.

Another negative factor is related to the external sector of our economy: the progressive, and in some cases rapid deterioration of the prices of our traditional export products, which means less foreign exchange income, less possibilities for investment, and many negative consequences too long to ennumerate. There are other negative factors that I will mention later on, which have a unfavorable effect on our economy, together with the ones I mentioned before.

I have mentioned this, because we must be realistic. We are waging a real war to build in our country an authentically democratic society, and to safeguard achievements such as pluralism, participation, and freedom, which very well deserve our efforts. However, I insist, we must be realistic, and we must not mislead ourselves. The negative factors inhibit our gorwth, and prevent us from dedicating our efforts to massive public investment plans, for example, which would logically fill us with great satisfaction.

During the past years -- from 1980 to 1983 -- our country had a negative economic growth, which changed in 1984, when we experienced a small positive change of 1.5 percent. Also in 1984, we experienced a slight increase in private consumption, and in the creation of fixed private capital. At this time, however, due to the persistence and acuteness of some negative factors, we face a number of adverse situations that worry us and that will force us in the near future to take measures that together will constitute a stabilization program for our country. All these measures will be difficult to implement, and most of them will not be very pleasant for all, but in our opinion, they are absolutely necessary to reverse a trend that shows the following characteristics:

There is a worrisome and disturbing growth in the inflation rates, a trend which we must firmly try to reverse as soon as possible. There is a reduction in the cotton and coffee production, as well as in some less important products, which have been affected by circumstances in the market and other factors. There is a greater utilization of foreign resources, which affects our balance of payments, and our economy in general. To illustrate this, we are spending $1.8 billion, while the country is only producing $900 million. There is a distortion in the fiscal or budget policy, because we must face extraordinary circumstances with ordinary revenues, without any considerable increase in taxes, something which results in a progressive and dangerous fiscal deficit. In sum, there are many negative circumstances that worry us, and which must be immediately modified through national efforts, austerity, efficiency and honesty.

I must tell you that we are aware that our democratic process must be safeguarded from any risk, and that the economic efforts are of utmost importance and should be conducted in such a way that they can stabilize our situation and consolidate our political and social project.

Although we accept our reality, we are determined to take the necessary measures in order to make favorable and positive changes, a task which is not easy, as we must all realize. [end recording]

PRESIDENT DUARTE INTERVIEWED BY MADRID PAPER

PM201415 Madrid EL PAIS in Spanish 6 Nov 85 pp 8-9

[Interview with Salvadoran President Jose Napoleon Duarte by Antonio Cano in Madrid; date not given]

[Text] Question: Do you agree that the situation in your country is frozen, without any chances of positive evolution or hopes of peace?

Answer: I believe it is better to view the situation from a dynamic perspective, from which one can see the chances of negotiation drawing nearer every day. From the political viewpoint, there have been four elections that have stabilized the country as never before. It must be remembered that we have lived through 50 years of military dictatorship.

Question: What about the military situation?

Answer: There has been a process of professionalization of the Armed Forces, which has strengthened them in their defense of the democratic process and which has also made them better able to defend their raison d'etre, which is the Republic and the democratic state. This also has a political effect, which is that the Army now has a reason for fighting.

The Army is not defending any dictatorship or totalitarianism but is defending democracy, which strengthens the process under way. The Army has been strengthened to the extent that it is now constantly active against armed rebels, subversives.

Question: Are the achievements of the process to which you refer solely political and military? How do they affect the Salvadoran people?

Answer: In 1979 there were demonstrations in my country's streets involving 100,000-200,000 people in support of the People's Revolutionary Bloc, which was the people's wing of the FDR-FMLN (Democratic Revolutionary Front-Farabundo Marti National Liberation Front). Now this no longer happens, not because the people are afraid of reprisals but because they do not feel the need. The armed rebels have lost their support among the people. They have moved away from the people and have lost their raison d'etre. Mao Zedong's idea that there is no revolution without a revolutionary people is being proven in El Salvador, where the people reject violent Marxist revolution. The armed rebels have tried to destabilize the country economically. The destruction of the economic system is equivalent to two or three times the economic aid we have received. Nevertheless the country is still producing.

Question: Do you perceive a change of tactics on the guerrillas' part?

Answer: The guerrillas' objectives used to be justifiable, if you like, because there was assumed to be a revolution against a dictatorship, but this is no longer the case. Now they burn down bases, carry out kidnappings and murders... All this indicates a terrorist tendency on the guerrillas' part. Now they have ceased to be guerrillas and have become terrorists. Now the guerrillas are trying to justify kidnappings. They kidnap the president's daughter and try to justify it by saying that this is a psychological war and that the president's daughter is a military objective. Imagine the implications of relatives' becoming military objectives! This has caused a clash within their own ranks.

Question: Did this split occur during your daughter's kidnapping?

Answer: The kidnapping was carried out by the Communist Party, which presented it to the FMLN as a fait accompli. First the guerrillas pretended to know nothing about the kidnaping and invented a name for themselves -- the Pedro Antonio Castillo Commando (the group which claimed responsibility for the kidnapping) which is nonexistent. And what does Ungo (Guillermo Ungo, FDR leader) have to say about all this? He says that he knows nothing, that he is not in charge ... But exactly a year ago, when we were at La Palma (where the first round of talks between the guerrillas and the government took place) he said that the FDR and the FMLN were one and the same. That almost prompted me to rule out the FDR as a valid representative of the guerrillas.

Question: Why was the dialogue with the guerrillas broken off?

Answer: I believe it was because it caused them an internal ideological dispute. Both sides came to La Palma in good faith, in a spirit of peace; we talked about peace and reached certain accords. But the next day Commander Villalobos delivered a speech in which he rejected all that Commander Cienfuegos said outside the church in La Palma and a dispute ensued between them, which led to a stiffening and a return to the initial stance.

From that moment on they simply awaited a chance to assert their real stance, which they found at Ayagualo (where the second and last round of negotiations was held), which they did not approach in a spirit of peace. It was a tactical dialogue there. It was an opportunity to exploit the media to announce their military watchwords to the country and the world. After that I proposed further negotiations to seek points of agreement, not differences. I proposed holding informal meetings without any propaganda impact, private meetings outside El Salvador. The answer was "no."

Question: Do you now have another proposal for a dialogue?

Answer: The one I have already made still stands.

Question: Do you have the Army support in these negotiations?

Answer: I believe I have the support of the Salvadoran people, not just of the Armed Forces. This is the logic of this government: The people gave me this mandate and I must be loyal to them.

Question: Do you believe the Army can win the war?

Answer: This is a political, ideological, social, economic, international, and psychological war, and it is the total war that must be won. From this viewpoint, my answer is "no."

Question: Are you afraid of being asked in your country to conduct the same kind of negotiations as you conducted to free your daughter in other kidnapping cases?

Answer: Some extremist sectors might do so, and in fact they are doing so. There was a profoundly political aspect to my daughter's kidnapping, which struck the entire country and therefore the decision (to exchange Ines Duarte for 100 detained guerrillas) was not mine but unanimously demanded. Everyone wanted the return of the president's daughter because it constituted an outrage against the entire people.

Question: Do you expect that the Contadora Act can be signed on 21 November?

Answer: The problem is how to ensure the political will on the part of all nations for the act to be valid. It is a matter of signing a viable document that will ensure peace in Central America. I believe none of you is unaware that the center of operations for all Salvadoran guerrilla activity, including my daughter's kidnapping is in Nicaragua.

Question: Do you mean that Nicaragua organized your daughter's kidnapping?

Answer: I have recordings of the conversations they (the kidnappers) had, in which they said, for instance: "I need to consult with Managua on this." Nicaragua has an area called Las Colinas, where the Salvadoran guerrillas' weapons and camps are to be found. There you will find all the leaders, the Soviet and, above all, Cuban advisers. So Nicaragua is the operational center of subversion against El Salvador. The sanctuary provided by Managua is a crucial point in bringing peace to Central America. Now it is the sanctuary of Honduran, Costa Rican, Panamanian, or Guatemalan guerrillas. This is the basic problem with Contadora. Do we have guarantees that Nicaragua will keep its word?

Question: What do you think?

Answer: I think not. If not, why sign a document in which they make a pledge which they do not intend to keep?

Question: A shadow has been cast over your visit to Spain by the haste with which it was prepared and reports of the use of the Spanish diplomatic pouch in El Salvador by the guerrillas.

Answer: Look, first I must apologize because, owing to the vicissitudes experienced by my country, I had to postpone my visit three times. So I believe it would be unfair to blame the Spanish Government for something which has a logical explanation. With regard to the pouch, the fact is that I know nothing about it.

Question: The Spanish Government has maintained good relations with the Salvadoran guerrillas and Ungo's party belongs to the Socialist International. Does this affect relations with your government?

Answer: You see, the guerrillas created a structure, which they call the politico-diplomatic commission, which virtually had embassies throughout the world, and governments heeded them. Just today [5 November] I reminded Felipe Gonzalez of something he said to me when we met a year ago: "You ask me to support you in this adventure in which you will be walking on a knife-edge. I will be confident that you can succeed.

Question: And does this support continue?

Answer: Today he told me that he is fully aware of the effort we are making and that he is still willing to support the democratic process.

INES DUARTE REVOKES STATEMENT TO KIDNAPPERS

PA212337 San Salvador Television Educativa in Spanish 0130 GMT 21 Nov 85

[Text] In an exclusive statement to Channel 10, Ines Guadalupe Duarte said that she was forced to make the statement broadcast by a clandestine station. President Duarte's daughter recalled the dramatic experience she underwent during her 44 days in captivity.

[Begin recording] [Unidentified reporter] What were your thoughts at the time of your kidnapping?

[Duarte] I thought: Why are they being so unfair, why are they being so cruel to a defenseless woman? Particularly because they knew that I was escorted by only two young security agents, one of whom was killed without mercy; he did not even have time to park the car, because he was attacked from the back. During those moments, I thought My God, why are they so unjust, I have not done any harm, they are treating me this way only because I am the president's daughter? I could not understand it, because if they say that they are fighting for the people, but treat a defenseless woman that way, that is not fighting for the people. I was very scared. I thought they were being unfair. When I saw blood, I thought they had killed one of my boys. They did not give them a chance to defend themselves, because the boy who was close to the door was trying to open it, but he simply did not have time to use his weapon. I was very terrified, because I really did not know what was going to happen to me, I did not know where I was going.

[Reporter] You were kidnapped for 44 days. What would you say was the worse part of your experience at the place where the kidnappers held you?

[Duarte] Well, first of all, it was very hard for me to be deprived of my freedom. I was definitely a prisoner, I could not move anywhere without someone else, I was under constant surveillance, so that I could not take a false step. In addition, they scared me, because they told me that they had mined the entire area surrounding me, and that if I tried to go beyond the limits they had established for me I could die. They also took me to one of their largest warfronts, so that I could have first hand experience of the [15 second break in transmission].

[Reporter] [Question indistinct]

[Duarte] It is something... [changes thought] It is very difficult to explain what terror is, but it is anguish, fear, it is ..I used to perspire and perspire, and I felt like crying, I did not want to talk, I was very scared. In other words ..how can I explain this...it is like when a child is terrified by a make-believe story, and is afraid to sleep alone at night. I was afraid of the night.

[Reporter] You have mentioned the fear you were filled with during the 44 days of your kidnapping. However, there have also been reports of a statement made by you which is favorable to your kidnappers. It is also possible that photographs may be published in which you may appear to be happy in the company of your kidnappers. What can you tell us about this situation?

[Duarte] It is true that they took pictures of me, which will be published. However, I was forced to pose. A photographer came with us in the column, as I said, when I was about to be released. I was taken to a house, where I was interviewed for Radio Venceremos by another photographer. I was then asked to pose with them and to smile. I obeyed, because it was like an obligation, the same as the statement I was forced to make. They gave me the text so I could answer favorably. However, I could not really refuse at that time, because I knew that I was only a few hours away from my release, and that if I refused, it could cost me my freedom. Furthermore, I was afraid of them, just as I am right now. However, it was part of their strategy to manipulate my mind, which they accomplished, because I did what they wanted me to do. I did what I was supposed to do, which was to pose with them, and make a statement in their favor.

[Reporter] It is clear then, that your statement and the photographs that they may have taken were obtained from you by coercion. After this phase in your life, now that you are free again, how does it feel to be back with your children and your parents?

[Duarte] I feel really bad, because my children suffered a lot with my kidnapping. They are small children, and I can see that they have been affected. They are sad, psychologically harmed in an incredible way, they are very unsure of themselves.

[Reporter] Tell me, was there any action on the part of the kidnappers during your captivity that you may consider a positive memory of them?

[Duarte] No, not the least, because I suffered a great deal during those 44 days. The only thing that made me feel positive was that I constantly prayed, and that I was sure and trusted my father, as president, and as my father.

[Reporter] During your kidnapping, did you have any proof that the guerrillas are truly fighting for democracy, peace, and social justice?

[Duarte] This is what they say, but in reality, as I argued with them, the way they conduct their struggle is not the right way to achieve social justice. When there is an indefinite strike, as they call it, and there is a bus loaded with civilians, they do not shoot at the tires, they kill people, and this is not fighting for social justice. Also, when they blow up power pylons, and leave the cities without electricity, they claim that they do this against the industrialists, but in reality the people are the ones who lose because they lose their jobs when the factories have to close. This is not the way to fight for the people, the best way to fight for the people is by seeking peace, as my father is doing, by humanizing. They do not want to humanize, they only care about seizing power through war.

[Reporter] What would happen then if the terrorists won the war?

[Duarte] If they ever seize power, our country would be another Nicaragua, with all kinds of restrictions. Those who are still working would have to leave the country, because they would no longer be able to stay, since a Communist regime would be definitely installed. [end recording]

STEPS TO PROTECT COFFEE HARVEST OUTLINED

PA192047 San Salvador EL DIARIO DE HOY in Spanish 18 Nov 85 pp 10, 63

[Text] To protect against terrorist attacks, the Engineering Military Detachment of Zacatecoluca has issued a list of recommendations that coffee farms must implement during the coffee harvest season, which begins this month.

During a meeting with owners and administrators of coffee farms, Commander Colonel Orlando Inocente [as published] Montano gave them instructions and a list of measures to be implemented to protect against terrorist actions.

All permanent workers who live on the coffee farms will be issued safe-conduct passes. The military chief explained that every administrator is to send a list of permanent and temporary workers, which will be in the hands of the military authorities patrolling the area.

He added that workers will not be permitted to leave the farms where they work without a permit from the military authorities. All information regarding terrorist groups is to be forwarded to the command post. Likewise, workers may submit their suggestions to the command post.

Montano said that anybody moving without a safe-conduct pass or the appropriate authorization will be considered a suspect and will be sent to the detachment for an investigation. If the farm hires more workers, the authorities must be notified.

Any vehi le going up the Chinchontepec Volcano to bring out coffee must have written authori ation from the farm owner, a safe-conduct pass, and an invoice for the coffee shipment. Montano said that if the truck is carrying more coffee than stated in the invoice, this will be considered a theft. The vehicle and the driver will be sent to the command post.

In conclusion, he added that every 15 days each farm administrator must end an updated list of the workers to the command post for control purposes. Already several coffee farms have begun harvesting coffee under the Armed Forces' protection.

GUERRILLAS ATTACK MEJICANOS MILITARY POST

PA182315 San Salvador Canal Doce Television in Spanish 0300 GMT 17 Nov 85

[Text] Guerrillas attacked the military headquarters in Mejicanos for 2 hours last night. Isidro Emilio Martinez reports:

[Begin recording] [Martinez] Guerrillas attacked the local garrison in Mejicanos last night and staged a shootout that lasted approximately 2 hours. According to witnesses, the attack began at 2245 last night and continued until 0035. More than 20 guerrillas participated in the attack using small arms, machineguns, and RPG-2s.

[Unidentified military officer, broadcast in progress] ...had occupied strategic positions at the Mejicanos cemetery, located near the Yolanda Desire factory, the road to (Yutuxtepec). They also took positions at the partially destroyed installations of the Astor Movie Theater located on 5th Avenue, near Pollo Campero, and the sector close to Campero and the Astor Theater on 5th Avenue. The harassment was carried out directly against the garrison and the internal positions at the command post, which are covered by troops who are still under training, in other words, by the Civil Defense Patriotic Forces [Fuerzas Patrioticas de Auto-Defensa Civil]. These forces are made up of volunteers, youths from Mejicanos who want to be of service to their community. They held up very well, considering that there was a heavy exchange of fire and that they were outnumbered by the terrorists.

The guerrillas used machineguns -- we could clearly hear the detonations -- and tried to get into the garrison by advancing from the cemetery -- we assume this from what we could observe -- and along the sand pit at the El Nispero passageway. They managed to reach a brick factory located on the shores of the creek that forms the sand pit at the El Nispero passageway, but by then we received reinforcements from the 1st Infantry Brigade. A patrol arrived with an armored car, commanded by an officer. The guerrillas were detected, and the officer dislodged those who were near the Astor Movie Theater and then occupied some of the buildings in the area, such as the La Gondola Bar, from where he launched an attack against the subversives who were posted at the brick factory. This was followed by a heavier exchange of fire, and the terrorists, in an attempt to escape the siege that was being laid on them, used heavy weapons, such as RPG-2s. One of the rockets landed on a house adjacent to Pollo Campero; the house immediately caught fire, making it necessary to call the Fire Department immediately after the attack.

[Martinez] Shortly after the attack began, national policemen based in Sacamil and two armored cars of the 1st Brigade arrived to reinforce the Civil Defense guards, who did not total more than seven. According to the Armed Forces Press Committee, three guerrillas, one of them wounded, were captured during the action. The Armed Forces did not report any casualties, except for a seriously wounded policeman. [end recording]

CHURCH FORUM DISCUSSES ARMED CONFLICT

PA201420 San Salvador EL MUNDO in Spanish 18 Nov 85 p 2

[Excerpt] During a roundtable discussion at UCA [Central American University] on the subject of "the church and the national dialogue" it was remarked that the Catholic Church has great power in this country and therefore a huge responsibility for whatever good and bad happens here. Speakers in this event were UCA Rector Father Ignacio Ellacuria, Monsignor Arturo Rivera y Damas, and Father John Sobrino.

In his speech, Msgr Rivera y Damas outlined the work the church has been doing throughout the years and particularly during the last 6 years regarding the armed conflict. The church has tried to humanize, shorten, and prevent the conflict and, finally, to find a solution to it through dialogue and negotiation, the archbishop said.

The problem he said, is that this is a very touchy matter in which each side sees things its own way. Nevertheless, he said, "I have always stated that the church views this conflict as a fire and feels that we must first assist the people, particularly those who suffer the most. Then we must seek ways to put out the ire and, lastly, to keep it out."

Msgr Rivera y Damas spoke about all of the steps that have been taken to humanize the conflict and the important exchanges that have been carried out, such as that of Colonel Francisco Adolfo Castillo for crippled and wounded prisoners and the latest one, that of Ines Guadalupe Duarte and the mayors for prisoners and wounded guerrillas. Regarding humanization, he disclosed that some progress has been made, such as the assistance to displaced persons, and said that some foreign churches, such as U.S. churches, have helped.

He spoke of his constant calls for humanization of the conflict; the denouncements through his homilies; his insistence that the structural reforms he continued and expanded; his support to education; and, regarding development, his request to the United States that economic assistance be geared more toward development and less toward the arms buildup.

ANTEL ON REASONS FOR NOT MEETING WITH STRIKERS

PA202245 San Salvador Radio Cadena YSKL in Spanish 1730 GMT 20 Nov 85

[Communique issued by the National Administration for Telecommunications, ANTEL, on 20 November in San Salvador]

[Text] The National Administration for Telecommunications, ANTEL, explains why it did not receive the strikers. Out of respect for local and international public opinion, for the news media and telecommunications workers, whom the leaders of the Salvadoran Association of Telecommunications Workers, ANTEL, Executive Council, are trying to confuse with arbitrary actions, the ANTEL Board of directors explains and rejects any responsibility for the failure to hold yesterday's meeting, which could not be held for the following reasons:

1. The strikers asked for an urgent meeting to discuss the arrest of Humberto Centeno's sons by a security corp, who were placed under a military court and accused of subversion and of participating in the kidnapping of a government official.

2. On the same date as the meeting, ANTEL said that two dates had already been established -- 19 and 26 November -- to discuss matters that would benefit ANTEL's workers. It was up to ASTEL to decide if it accepted the 26 November meeting. Regarding the strike, ANTEL Board of Directors said they had nothing to talk about because the strike was illegal and had nothing to do with ANTEL.

3. On the same day, after receiving ANTEL's note dated 12 November 1985, ASTEL issued Communique No 12 indicating that it had not received a positive answer and, to conceal our responsible attitude and the positive contents of the note, ASTEL said the ANTEL's answer represetned a servering of negotiations. ASTEL acted once more with deceit and lack of respect for its members and malice toward the institution. They were the ones who rejected the invitation and instead answered with threats, insults and disobedience of the law and the government.

4. For the reasons we have just mentioned, we reiterate that the request for security forces and protection for ANTEL's property and the refusal to receive ASTEL's directors was for the purpose of preventing the continued physical and moral threats against the workers who have been working at their job, which is to serve the people, and those who expressed the desire to return to work.

5. Finally, ANTEL reports that all the benefits it is planning to give the workers are in the process of being implemented to become effective as soon as possible.

ANTEL adds that by rejecting and making fun of the invitation, it was obvious that ASTEL's directors were only interested in maintaining an unconditional support of subversion and not their legal objective, which is to take care of the workers' interests.

On closing this explanatory note, ANTEL reiterates that only agreeing to return to the legal status and giving up political demands which have nothing to do with ANTEL can open the way to a dialogue and understanding that the citizens hope for.

OPPOSITON LEADER QUINONES CALLS FOR UNITY

PA202317 San Salvador EL DIARO DE HOY in Spanish 20 Nov 85 pp 3, 13

[Text] It is urgent that the opposition parties unite and take advantage of the democratic process to get the country out of the chaotic situation it is in, Francisco Quinones, Salvadoran Popular Party, PPS secretary general, said.

"We must form a strong organization and have a definite objective. We must start winning the war. If we do not do that, there is very little or almost nothing we can offer the productive sectors in reaching their goals," Quinones added.

During a meeting of the PPS National Directorate, to which newsmen were invited. Quinones said that efforts have been made to resolve the war situation, such as the dialogue, social agreement, and political solution, but that none have considered an alternate way which is very important, which is needed to make the effort succeed.

If the democratic process does not win over the war imposed on El Salvador, there is very little it can do in the organization of democratic countries. If we do not reach unity, the poor sectors can expect very little or nothing in improving their living standard for an economic reactivation to continue the democratic process. The PPS seeks the resolution of the country's problems through the union of the oppoisition parties, Quinones pointed out.

All processes of unification require a series of activities, which is why the PPS held meetings with various political parties, Quinones indicated, but he did not say with which ones. He added that during the meetings there has not been any significant difference on fundamental issues. On the contrary, there has been the same interest and concern to find positive solutions to the nation's problems.

Quinones added that the government controls the executive branch and the Legislative Assembly, thus controlling the governing process. It has not allowed and it also has rejected the participation of the opposition with its constructive views to promoting the nation's welfare.

When asked about the possibility of cabinet reorganization as a way to seek the opposition 's participation, Quinones said that this was secondary. He added that his party disapproves of a coup d'etat as a way to resolve the nation's problems.

GUATEMALA

VINICIO CEREZO OUTLINES PLANS FOR NEW GOVERNMENT

PM191615 Barcelona LA VANGUARDIA in Spanish 5 Nov 85 p 9

[Joaquim Ibarz dispatch: "Christian Democrat Vinicio Cerezo Says That He wishes to Democratize Army and Integrate It Into Society"]

[Text] Guatemala City -- "Guatemala has taken a very important step, which I hope will be irreversible, toward democracy. The broad support which the people have given me means that my fellow countrymen want change -- a change which will bring them respect for human rights, the supremacy of the civil authority over the military, alleviation of the economic crisis among the most underprivileged classes, establishment of a constitutional state in which everybody will be equal before the law, and a search for a political solution to the problem of guerrilla warfare. One of my immediate aims is to ensure that the Armed Forces respect the principle that a democratic system has a right to defense but not repression," Christian Democratic candidate Vinicio Cerezo told us in the early hours of Monday morning, just a few hours after his substantial victory in Sunday's presidential election began to take shape.

In the presence of Spanish ambassador Jose Luis Crespo do Vega, Vinicio Cerezo told us that his government will seek to intensify relations with Spain in all fields -- political, economic, technical and cultural.

Relations with Spain

"We are prepared to take the first steps to revive those relations, because Spain should be the key to securing us Europe's support for our democratization process. Spain can and should be the great channel of communication for opening up Guatemala to the world. Spain's support is essential to us."

Cerezo, who always agreed over the past few years that Guatemala should satisfy Madrid's demands in order to resume relations between the two countries following the attack on and burning of our embassy, believes that Spain's transition to democracy should be a reference point for all Guatemalans -- and, he stated, "in many respects it already has been."

The virtual president-elect of Guatemala believes that, following the broad support given to him by the people, the Army should respect the election result.

"I am convinced that our Armed Forces will respect the people's wishes and withdraw to their barracks, seeking the professionalization of the Army. Any attempt at regression would be a catastrophe for everybody, because it would lead the country to extreme polarization and to enormous popular frustration, which could result in civil war."

The Christian Democratic candidate added that the military will respect the civil authority because, if they accepted the democratization process, it was not only an act of good will but because strategic reasons made them realize that regional and national circumstances "prompted them to respect the return to a constitutional state."

New Role for Army

"The Army should consider the new role which it must play in a democratic state. It will no longer be the arbiter of everything. As the constitution stipulates, we will place in the hands of civilians interinstitutional coordinating committees which will be in control in rural areas. That is not an internal army function but will rest with a civilian government. My government will civilianize civil society and reduce military control. That is why the development committees will be in the hands of civilians, although I recognize that their setting up was a positive step, because it is always better to give the population housing and food than bombs."

Cerezo emphasized that he also wishes to democratize the Army, and to this end he will seek to turn it into a "national army," in the sense of calling up volunteers from the whole of society at large, and not just from one section of the population -- the Indians -- with the aim of integrating the Armed Forces into the population so that it is no longer a structure separate from society.

Vinicio Cerezo acknowledged that one of his government's main problems will be to ensure that human rights are respected. He said that he will urge the current head of state to meet the demands of the relatives of political missing persons who have been occupying the Metropolitan Cathedral for 6 days.

"If I were in power, I would attempt to resolve the problem of the missing persons. How? By attempting to tell the truth, discover what has happened with these cases, start an investigation. This is what I intend to do when I take over the presidency. I will not begin trials of the military personnel who may be responsible for murders or disappearances, but I will support all steps which the Supreme Court may take in this direction. I want Guatemala to cease to be a country ruled by terror, because I will promote respect for human rights. To this end I will reorganize the police and disband the security bodies most deeply involved in repression -- especially the Directorate of Technical Investigations (DIT), which has acquired an unacceptable power of its own. It will not be a change of label but a real purge."

Resolving Guerrilla Warfare

He stressed that those who break the law "will be severely punished," because the democratic government must be given credibility.

"I am optimistic but realistic; I look at the problems objectively, and I do not believe in magic solutions. That is why the international support for this process, which begins with so many difficulties, especially those of an economic nature, is so important."

As regards the problem of guerrilla warfare, he said that a peaceful solution must be sought by means of talks which will make it possible to find a peaceful solution to the armed conflict. "The Army disagrees with this stance, because it believes that it can win the war without any need to talk. But it is important to find the least costly solution to the problem of the insurgency, and that is why we must try to end the conflict by nonviolent means."

Cerezo stated that there were no losing candidates in this election, since it was the people of Guatemala and the process of institutionalizing a democracy which won.

"The substantial majority achieved means that the people back our program of renewal. We will call on all sections of society to carry out our proposal of consultation and national unity. I was the first to be surprised by my margin of victory, which demonstrates that the people have lost the fear which was gripping them and preventing them from supporting change. In view of the results, the second round is a mere formality which should be avoided in view of the gravity of the economic crisis."

HONDURAS

DEPUTY ON NEW MILITARY PROTOCOL WITH U.S.

PA220031 Tegucigalpa Cadena Audio Video in Spanish 1145 GMT 21 Nov 85

[Text] It was learned in a meeting yesterday that the Honduran Government is negotiating a new protocol to the 1954 military agreement with the United States, which will give a legal framework to the military maneuvers which have been held in our country for almost 3 years, Christian Democratic Deputy Efrain Diaz Arivillaga said yesterday.

He gave the information to the presidential candidates who went to hear the statements by the Foreign Secretariat regarding the principal problems of Honduras' foreign policy, including relations with the United States.

Asked about the scope of the new protocol, Honduran Foreign Secretary Edgardo Paz Barnica admitted that it is being negotiated at the level of security subcommissions of both governments and deals with regulating military maneuvers. The Honduran foreign secretary said that he does not think that that new agreement with the United States can be a contradiction of the Honduran position regarding the Contadora Group, because as we advance in the latest negotiations the adequate measures will be taken regarding the talks with the United States.

The Congress has pending the approval of two other protocols to the military agreement. The first one refers to the jurisdiction of U.S. military personnel in Honduras, and the other deals with the improvement of landing strips used in the maneuvers.

Deputy Diaz Arivillaga said that it is necessary to define the framework in which relations will develop with the United States, and not as has occurred up to now. We do not believe that the government has taken our dignity and sovereignty into account, applying a dual foreign policy, declaring one thing and doing another.

NICARAGUA

PROTEST NOTE SENT TO SHULTZ OVER CONTRA FUNDS

PA211925 Managua Radio Sandino in Spanish 1830 GMT 21 Nov 85

[Protest note sent by Acting Foreign Minister Jose Leon Talavera to U.S. Secretary of State George Shultz "a few minutes ago" -- read by announcer]

[Text] Mr Secretary of State: I address Your Excellency regarding the U.S. Administration's recent decision to use new funds or new forms of using funds already approved for the direct supply of military equipment, including airplanes, radios, vehicles, and helicopters, to the counterrevolutionary forces that your government supports, finances, and directs to attack the Nicaraguan people and government.

Mr Secretary of State, the Nicaraguan Government considers that such a plan to directly supply military materiel to the mercenary forces will provoke dangerous repercussions in the search for regional peace being promoted by the Contadora Group and the support group. This position is one more proof of your government's intransigent desire to continue the unjust and immoral war of aggression against the Nicaraguan people, violating with impunity the fundamental principles of international law.

This new mechanism of the U.S. Government to legitimize the brutal war of aggression that it maintains against Nicaragua and to obtain recognition of its mercenary forces under that category show the real objectives of its so-called humanitarian aid program that was recently approved. The virtual approval of these additional funds for the direct supply of military materiel will introduce greater and more serious factors of tension and intranquility in the Central American region, whose already critical situation would be worsened by the significant increase in the arms trafficking by the mercenary forces. This situation will inevitably have repercussions on the political and social stability of the Central American countries that will serve as an operations base for the new military equipment.

The discussion of new funds or new forms of using and delivering them constitutes a dangerous situation that again shows the inexorable U.S. decision to continue to prepare conditions to unleash a direct military intervention against our country.

The Nicaraguan Government maintains and will maintain its desire for peace and its support for the Contadora Group's efforts to find, through dialogue, the mechanisms that will return peace to the Central American peoples even if these efforts clash with the irrational will of the current U.S. Administration. In this sense, we repeatedly insist that the Nicaraguan people's sacred right to independence and self-determination be respected.

Mr Secretary: On expressing its most formal and energetic protest over the persistent policy of aggression that is evident in the U.S. Administration's decision to use new funds or new forms to utilize already existing funds for the direct supply of military equipment to the mercenary forces, the Nicaraguan Government formulates an urgent call to the U.S. Administration to desist from the policy of force that hinders peace in Central America and makes the normalization of our relations impossible. It also insists on the urgent need for a sincere dialogue as was proposed by Nicaraguan President Commander Daniel Ortega Saavedra to lead to the normalization of relations between the two countries. This would be the best and most effective contribution to the Contadora Group's efforts to achieve regional peace.

I take this opportunity to reiterate to Your Excellency my highest and most distinguished esteem.

[Signed] Acting Foreign Minister Jose Leon Talavera

GOVERNMENT DENIES CAUSING CONTADORA PROBLEMS

PA212251 Managua BARRICADA in Spanish 13 Nov 85 p 3

[Editorial: "Who is Torpedoing Contadora?"]

[Text] The position of Nicaragua, which demands a return to the original document of the Contadora Group, drafted in September of last year, and which our government agreed to sign at the time, has been sufficient for the reactionary press of the region and of the United States to begin accusing us of trying to torpedo the efforts for pacification.

Few tricks are older than the one whereby the thief begins shouting: "Get that thief!" while he surreptitiously goes into hiding. It is the same trick the United States and its allies are now using to hide the fact that it is they, particularly the government of President Ronald Reagan, who from the start have opposed the spirit of Contadora, trying to discredit it and turn it into a number of demands for the Nicaraguan people to surrender to.

Yesterday, at a news conference, the commander of the revolution, Humberto Ortega, charged that while in Panama, Honduras accepted a reformed Contadora, and that a number of secret agreements have been reached with the United States, one of which includes the delivery of the sophisticated F-5 combat plane to the Honduran Air Force, which further distorts the arms equilibrium in the region and turns the already mighty Air Force of that neighboring country into a greater menace to our security.

Another secret agreement, which actually sabotages Contadora, is that which calls for U.S. troops to remain for 5 years in the U.S. base at Palmerolas, Honduras, and which are described in the agreement as of a "highly aggressive disposition" ["alta disposicion de combatividad"].

Meanwhile, in another secret agreement it is decided to hold in the course of next year three military maneuvers on Honduran territory, to acclimate the U.S. troops and prepare them for combat in the specific topographic conditions of Nicaragua.

A U.S. spy ship controls all military and civilian communications in our country, and our air space has been violated by U.S. spy planes hundreds of times. All this is taking place while CIA mercenaries daily murder innocent civilians in a criminal war, already condemned throughout the world.

From Costa Rica, the other country which, together with Honduras, served the U.S. interests to boycott and discredit Contadora, members of its civil guard permit the mercenary Army to operate freely and, in some instances, as denounced by Humberto Ortega, the guards themselves open fire against our positions.

Those are the facts. That is the situation affecting Nicaragua. Therefore, it is an elementary right and obligation for this revolution to defend its own existence, as no one can ask us to put down our weapons while our enemies prepare for combat, make secret pacts with the enemy of mankind, attack us openly and underhandedly, and wage an irregular war against us, which could well be the prelude to an announced direct aggression by Yankee imperialism.

CHURCH MANIPULATION OF EMERGENCY LAW CHARGED

PA210425 Managua Radio Sandino in Spanish 1200 GMT 20 Nov 85

[Text] Granada, Fourth Region -- The manipulation of the state emergency by priests in the Granada Diocese was criticized yesterday by Federico Lopez, the government's delegate in the fourth region, before hundreds of Christians in that city. Here is Luis Aleman, Radio Sandino's correspondent in Granada with the report:

[Begin recording] [Aleman] The presidency's delegate presented a document divulged by the Granada Diocese and signed by Bishop Liovigildo Lopez Vitoria, and Priests Francisco Garcia, Sergio Hernandez, Raul Henriquez, Omar Cordero and Federico Arriaza, in which they ill-intentionally said that in view of the state of emergency law, meetings and public religious activities in the streets were suspended. This clearly shows the manipulation of the emergency law, to create confrontations between the people and their revolutionary government. Here is part of the statement made by Federico Lopez, the presieency's delegate in the fourth region.

[Lopez] The state of emergency does not state this, and the explanations we have given do not mention it either. The law does not call for a suspension. The only thing we have said is that they must certify -- through a formal request -- that they are going to hold these activities, that they are strictly religious activities, and assume the responsibility for them. Now what has happened with this communique is that the priests of the Granada Diocese -- particularly in Granada and San Jorge -- have told the congregations during their homilies that the Purisima [religious festivities] activities have been suspended, that the Christmas festivities have been suspended, as well as all the traditional religious festivities, due to the emergency law, because they must now request permission. We have been informed of meetings held between Bishop Lopez Vitoria himself and religious groups here in Granada, to propose the suspension of the Purisima, in view of the state of emergency, and because permission must now be requested. We also have been informed that father Sergio Hernandez Ochomogo, of the Cathedral, has said that the Purisimas have been suspended at the Our Lady of Help School because the emergency law prevents this practice. We have also been told that he suspended the traditional San Martin procession this past weekend, supposedly because the emergency law bans it. However, Bishop Lopez Vitoria, Sergio Hernandez Ochomogo, Salesian Calero, and practically all the priests in this region know perfectly well that the religious activities are guaranteed within the framework of the emergency law.

[Aleman] Companero Federico Lopez added that the Granada priests have also taken their manipulation and suspension of religious activities to other parts of the region, such as in Rivas, and San Jorge.

EPS LOCATES COMMON GRAVE WITH 27 REBEL BODIES

PA210426 Managua Radio Sandino in Spanish 0000 GMT 21 Nov 85

[Text] The Nicaraguan Defense Ministry reported this afternoon that Sandinist People's Army [EPS] troops have located a common grave in which 27 mercenaries were buried. The grave was found in the area of Toboba hill, 26 km south of Mulukuku. The Defense Ministry added that these mercenaries were killed during a skirmish with EPS troops on 4 November 20 km from the famous Mulukuku.

63 CONTRAS KILLED IN SANTO DOMINGO, CHONTALES

PA210459 Managua Radio Sandino in Spanish 0000 GMT 21 Nov 85

[Text] Commander Roberto Calderon, military chief for the Departments of Boaco and Chontales, has reported that 63 counterrevolutionaries were killed during an attempt to attack Santo Domingo, Chontales Department. Commander Calderon said that following the attack the counterrevolutionaries were repelled and persecuted by our troops and the Air Force. More fighting was reported and the number of dead in the ranks of the enemy increased. Commander Calderon said that four counterrevoluntaries were taken alive and war materiel, including 18 rifles, approximately 60,000 rounds of ammunition, several grenades for RPG-7 grenade launchers, and hand grenade launchers, and hand grenades, were recovered.

Contras Abandon Dead

PA211811 Managua Radio Sandino in Spanish 0000 GMT 21 Nov 85

[Text] More bodies of counterrevolutionaries who were annihilated by the Sandinist People's Army [EPS] have been found in Santo Domingo, Chontales. Agustin Lara, government delegate and FSLN political coordinator in the fifth region, Boaco and Chontales, offered us the following exclusive report:

[Begin Lara recording -- in progress] ... like the Nicaraguan people, the entire peasant population in Rivas Department continues to counter the onslaught of the counterrevolutionary aggression. Little by little, the people have been developing a capacity to control the situation during the past months; the people are better organized and it is proved by the last events in Santo Domingo, where (?all) the population of Santo Domingo, which is basically a peasant population, the cubs in the military service, and other companeros repelled a sizeable counterrevolutionary force led by the famous Dumas, one of the criminal counterrevolutionary leaders from the Jorge Salazar Command. He was shamefully defeated by the militiamen, youths, and all the people who participated in the clash at Santo Domingo. They suffered a sizeable number of losses; we have counted 41 dead so far; however, more bodies have been found. In fact, I came from that area today and I know that very many corpses have been found after further clashes and the counterrevolutionaries' withdrawal [corrects himself] after the counterrevolutionaries fled in disarray. [end recording]

COMMUNICATIONS MINISTER REVIEWS HURRICANE DAMAGE

FL211434 Havana Tele-Rebelde Network in Spanish 1200 GMT 21 Nov 85

[Interview with Communication Minister Pedro Guelmes Gonzalez by unidentified reporter on damages caused by Hurricane Kate -- date and place not given]

[Excerpt] [Reporter] Comrade minister, the main damages caused by Hurricane Kate have also been noted in the transportation and communications sector. We would like for you to briefly describe the damages caused to this sector.

[Pedro Guelmes Gonzalez] Well, in the different areas the Communications Ministry deals with, the one most affected has been the telephone service. We must say we have had severe damages in Havana, and in Ciego de Avila, Matanzas, Sancti Spiritus, and Villa Clara Provinces. We have also had some minor problems in Havana Province. The major communications difficulties in the country are with telephones.

We also have had difficulties in radio and television services. The microwave path was interrupted by the hurricane's strong winds which misdirected the dishes carrying the signals. Thus, the transmission of the television signal was interrupted several times. Presently, our comrades, the men working on antenna towers [torreros], engineers, and technicians are working to restore the network. We believe they will be definitely restored early this afternoon.

Regarding radio transmission, 20 transmitters are not operational mainly because of the lack of electric power, although we must also say that some lines are wet and others damaged. Some towers were knocked down by the hurricane's violent force. All comrades from the different branches are working with our trade union to solve these problems as soon as possible.

I want to point out a very important matter. Havana's telephone service has been affected because of the lack of energy. Havana's 18 power plants are operating with emergency plants, and they do not have enough power to operate all telephone traffic. Telephone traffic has increased in these centers; therefore, we have had to disconnect a large number of telephones and service will not be restored until the country's energy situation goes back to normal.

Civil Defense Report

FL211745 Havana Radio Progreso Network in Spanish 1200 GMT 21 Nov 85

[Text] Intense activities to eliminate damages of devastating Hurricane Kate continue in large portions of the national territory. National Civil Defense general command post issued a report saying the recovery phase for western provinces continues. According to the report, the return of the people who had been evacuated was carried out gradually, taking into consideration existing conditions in each area. Communication services, the national electric power system, and drinking water supply services also continued to be restored. This outage situation may continue for several days; thus, the people should be prepared.

It was reported that the preliminary number of evacuees was over 715,000. Despite the measures taken, three deaths, one missing, and over 40 injured -- 5 seriously -- have been reported.

Hurricane Kate did not bring a lot of rain. Between 40 and 80 mm of water were registered in the affected provinces. The measures recommended for the rational use of water continue in effect. As a preventive measure, 200,000 head of cattle, 7,000 swine, and 57,000 sheep were transferred to safer places. Also, over 5,000 horses and 100,000 birds were sheltered. About 20,000 houses, 450 industries, 2,400 farms, and 400 institutions were damaged.

The greatest damages in agriculture were reported in surgarcane fields, tubers, and banana and vegetable crops. Considerable damages were reported in the poultry industry.

20-Percent Sugar Drop Forecast

FL212334 Havana Radio Reloj Network in Spanish 2015 GMT 21 Nov 85

[Text] All the cane plantations of the Brazil and Carlos Manuel de Cespedes sugar mills were severely damaged by Hurricane Kate when it passed through the northern part of Camaguey Province. The Camaguey delegation of the Ministry of the Sugar Ministry [Minaz] reported that about 5,000 caballerias of canefields were damaged in Camaguey Province.

Francisco Garcia Mas, Minaz delegate in Camaguey, said the possibility is being studied of advancing the date the sugar harvest is to begin in the southern Camaguey sugar mills, most of which were to begin grinding operations in January 1986. According to preliminary estimates of the sugar mills most affected by the hurricane, 20 percent of the cane has been lost, and specialists forecast a drop of 20 percent in the yield.

Port Closed; Losses Assessed

FL220016 Havana Radio Reloj Network in Spanish 2018 GMT 21 Nov 85

[Text] More than 2,900 tons of goods valued at more than 18,000 pesos were damaged last Tuesday in the port of Caibarien, Villa Clara Province, by Hurricane Kate. Other serious damage includes the breakup of jetties, the total destruction of two warehouses, and damage to the remaining 17, which have reported losses amounting to almost 345,000 pesos. All these damages have caused the paralysis of the port of Caibarien, which will last to the end of the year. The roadstead will lose 180,900 pesos it would otherwise earn from loading and unloading operations. Caibarien port workers are working to recover goods and restore the buildings in order to renew port operations in early 1986.

2,000 Houses Destroyed

FL212304 Havana Radio Reloj Network in Spanish 2010 GMT 21 Nov 85

[Text] Hurricane Kate has knocked over most of the cane in Ciego de Avila canefields The fact that no lives were lost and only 29 persons were slightly injured is due to the measures taken in Ciego de Avila to lessen the effect of Hurricane Kate. About 13,000 houses were affected by the Hurricane, of which 2,000 were completely destroyed by the strong winds, which in Ciego de Avila Province reached 177 km per hour.

Almost all the cane in Ciego de Avila Province has been knocked to the ground, which will make it impossible to use cane harvesters in the present sugarcane harvest, which is to begin on 1 December when the Patria or Muerte sugar mill of Moron begins grinding operations. The entire population of Ciego de Avila has mobilized under the direction of the provincial political authorities to repair the material losses and harvest the 300 caballerias of bananas and the 700 quintals of citrus fruits knocked off the trees by Kate.

Havana Canefields Decimated

FL220210 Havana Television Service in Spanish 0100 GMT 22 Nov 85

[Text] The sugarcane in great areas of canefields of the following Havana Province sugar mills has been blown down by the winds of Hurricane Kate: Boris Luis Santa Coloma, Amistad con los Pueblos, Hector Molina, Ruben Martinez Villena, and Osvaldo Sanchez.

Furthermore, excessive rainfall will affect the planting of 100 calaballerias of cane in Havana Province. The Camilo Cienfuegos sugar mill, the most damaged in Havana Province, has 874 caballerias of sugarcane lying on the ground, which represents a loss of 7 million arrobas of cane in the present harvest and a loss of sugar valued at an estimated 1.5 million pesos. Seventy-seven caballerias of winter cane were affected at Camilo Cienfuegos sugar mill, which was producing refined sugar; more than 2,000 tons of white sugar were lost because of the loss of electric power. This mill could not deliver 780 kilowatts/hour of electricity to the power network because of the damages suffered.

The factory of bagasse pressboards, which is an important installation at the sugar mill complex, lost 700 cubic meters of bagasse products destined for export, which will be recovered through domestic sales. Workers are trying to salvage 3,000 sacks of fertilizers. Water service has been restored, and it was expected that electric power would be restored today. Everthing has been done to convert this setback into victory.

PINAR DEL RIO DECLARED 'READY FOR DEFENSE"

FL161346 Havana Domestic Service in Spanish 1200 GMT 16 Nov 85

[Text] Pinar del Rio Province has been declared ready for defense, it has been reported by Orlando Lugo, alternate member of the PCC Central Committee and first party secretary in Pinar del Rio Province, which is the first Cuban province to merit this distinction. Lugo reviewed the efforts of the citizens of Pinar del Rio Province to achieve this coveted distinction, which will serve as a spur to achieving greater triumphs in defense, economic development tasks, and well-being of the people.

CHURCH DOCUMENT FAVORS DIALOGUE WITH GOVERNMENT

PA211605 Madrid EFE in Spanish 2310 GMT 17 Nov 85

[By Juan Jesus Aznarez]

[Text] Havana, 17 Nov (EFE) -- A document issued by Cuban Catholics, which surveys 5 years of work, favors dialogue between the church and Fidel Castro's government and estimates that emigration does not contribute to Cuba's welfare. The document notes that the revolutionary government has shown signs that it recognizes the value and existence of the church, noting the prevailing religious traits in Cuba and their importance throughout Latin America and the world.

On 12 November, the Cuban president held the second meeting with the Cuban Episcopate since the triumph of the 1959 revolution, which was termed positive by both sides.

The Catholic Church's document, comprised of about 200 pages, emphasizes that the Cuban Catholics are not content to survive. Today we propose the enormous task of rethinking and reviewing our past, recognizing our errors, transforming our pastoral structures and renewing our faith. According to the findings of the study, which have been learned after the last meeting between the church and the state, there is hope for a constructive dialogue between the two parties which potentially hold deep repercussions for their mutual relations. Drafted in diocese assemblies held in past years, the study will serve as the basis for work by the national Cuban Ecclesiastical meeting to be held in Havana from 17 to 23 Feburary 1986.

Referring to the relations that should exist with Cuban residents abroad, it indicates that this must be established by mutual accord, respectful of the different realities of each one of these human groups. This rapprochement, it adds, must go beyond a mere meeting with loved ones, beyond interests for material things, and must propose as its goal a moral and spiritual communion. Nevertheless, it added, the Cuban Catholics believe that, except for serious personal reasons, to emigrate from our country is not the best path for living the apostolic teachings of our faith and does not contribute to the welfare of our fatherland.

The working document expresses in another paragraph: The Cuban church has clearly opted for seriousness and serenity in the discussion of issues, for direct and frank dialogue with the nation's authorities, for the nonemployment of statements that might serve as propaganda one way or another, and for maintaining a dual and strict fidelity to the church and to the fatherland. This is partly the cause, it adds, of the silence of the church, that certainly has not been complete, both in Cuba as well as in relation to the rest of the continent over the past years.

The Cuban Catholics believe that the document must not constitute an analysis of positive and negative aspects of the revolutionary process, although they refer to the difficulties of the church under the current political regime. They note, among other things, the nonparticipation in the education system, a cultural climate alien to the Christian faith, attempts to promote atheism, lack of access to the social communications media, and those difficulties stemming from the Marxist ideology and its viewpoints regarding religious faith.

The conciliatory spirit of the text is reflected in paragraphs like the following: The Christians must exercise forgiveness, and all propose to overcome the reciprocal offenses of the past with a constructive attitude facing the future. That would be the only way to reach a minimal level of understanding. The Cuban Catholics, who seek greater participation in the destiny of the fatherland, want the opportunity to serve the Cuban people in similar conditions as nonbelievers.

COMMENTARY LAUDS ECONOMIC ACCOMPLISHMENTS

PA181250 Havana International Service in Spanish 0000 GMT 15 Nov 85

[Station commentary]

[Text] While the so-called Cubanologists fill sheets of paper trying to prove that the Cuban economy is bankrupt and that the revolutionary government cannot pull the country out of underdevelopment, figures show that the contrary is true. Amidst an international crisis created by the grave economic problems of the capitalist system, Cuba has taken great strides which have been particularly felt over the past several months.

Over 1 year ago the top Cuban leadership declared an economic battle as complement to the country's military defense in the face of Washington's growing hostility. The people responded to this obligation firmly and swiftly. Neither the country's severe drought nor the low prices of sugar on the international market -- the lowest in the last 50 years -- have constituted obstacles so that Cuba's economic growth in the first 6 months of this year exceeded 5 percent of that of the same period in 1984. More significant is the fact that this notorious leap responded fundamentally to an increase in productivity. Eighty percent of the increase inproduction resulted from higher productivity.

The sugar harvest initiated in late 1984 produced yields slightly higher than the preceding harvest also ended in this 6-month period. However, sugar production was not at the core of the economic growth. The food, textile, and chemical industries, as the construction of non-electrical machinery, weighed more heavily on the results of the first semester of 1985. The growth in state investment, 9 percent higher than that of the first 6 months of the preceding year, was also a noteworthy aspect of this 6-month period. The new resources were used to construct industries, improve agriculture, and satisfy the people's demands. In Cuba the monetary results of economic progress do not go to increase the welfare of privileged castes but return to the system to consolidate the economic and social future of all the citizenry.

The effort by the production apparatus to save raw materials and fuel, the better use given to the means of production, and a better organization of labor were also important in achieving such satisfactory results. The economic data of the first semester of 1985 also reaffirmed the justice of the development model adopted by Cuba, which is based on the effort we make and the close cooperation we maintain with the socialist world, promoter of just and equitable treatment toward nations with less economic potential.

ROLES IN LIBERIAN, COLOMBIAN INCIDENTS REFUTED

PA161645 Havana International Service in Spanish 0000 GMT 15 Nov 85

[Commentary by Nestor Nunez]

[Text] The practice of plotting anti-Cuban campaigns claiming that our country is allegedly involved in each international political incident is an old habit of the CIA.

Now it is a matter of making the international public believe that the terrible tentacles of Cuban communism were present in the coup attempt in Liberia and in the incidents at Bogota's Palace of Justice, which was occupied by guerrillas of the 19 April Movement and subsequently, recaptured by the Colombian Army with a death toll of more than 80 victims.

Regarding the first case, in an official note, the Cuban Foreign Ministry said that rumors circulating concerning the involvement of Cubans in the coup attempt in Liberia -- an incident that is strictly the concern of that nation -- are not true. The note recalled that the only Cubans present in Liberia -- charge d'affaires Dinorah Valanzuela and Miguel Lamasares -- have acted in line with the principles of our foreign policy in the face of these incidents. In other words, they have acted in full respect of the sovereignty and the principle of nonintervention in the domestic affairs of that African state.

Concerning the Colombian case, a Havana source cited by PRENSA LATINA described as ridiculous and completely crazy the reports that Cuban, Nicaraguan, and Venezuelan guerrillas were among those who occupied the Justice Palace in Bogota. The source added, it is the old imperialist habit of seeing Cubans everywhere and trying to find a scapegoat abroad for a serious problem that is purely domestic. The spokesman, who was not identified by PRENSA LATINA, rejected outright the information about a Cuban presence in that action as reported by the Colombian newspaper EL TIEMPO. This information, supporting such a ridiculous theory, lacks any proof of evidence. In addition, PRENSA LATINA recalled that Colombian officials admitted they have no information indicating the participation of foreign fighters in the incident.

U.S. PROTECTIONISM TERMED 'UNEQUAL, BRUTAL'

PA140150 Havana International Service in Spanish 2310 GMT 12 Nov 85

["Our America" commentary]

[Text] The palliatives Washington is trying to impose concerning the economic crisis afflicting Latin America are clearly insufficient. Even as palliatives, they do not satisfy those deluded people in the area who still harbor the hope of awakening the smallest understanding in the powerful neighbor to the north. The so-called Baker Plan, which was preceded by spectacular announcements and is merely an additional $20 billion loan for the biggest Latin American debtors, has not been welcomed as planned; quite the contrary, some sources, such as the Brazilian Foreign Ministry, consider this is a new opening for U.S. merchandise from an industry which has achieved high levels of modernization by looting the Third World.

However, if the U.S. attitude concerning the Latin American countries' $360 billion debt and its aggressive reactions against the countries which tried to curb such fabulous expenses in some way are considered harmful, the protectionism that Washington and its allies impose on the imports from our zone is equally brutal. These measures, which characterize the unequal exchange prevailing between capitalist powers and the underdeveloped world, seriously limit the possibility of increasing the latter's revenues and its financial solvency, given its oversized foreign debt. Due to the protectionism implemented by the United States and the EEC, Third World exports decreased 13 percent during this year first quarter, when compared with the same period in 1984. In Latin America's case, the region lost more than $6 billion foreign trade in revenues during the past months.

A recent report issued by the Central Bank of Chile, a country already devastated by a fascist dictatorship, indicates that the prices of national exports decreased almost 37 percent, compared with the amounts corresponding to 1984. Bolivia also reported that if tin prices continue to deteriorate on world markets, half of the tin mines will have to close. The problems being encountered by Latin American meat exports are no less tragic because the situation has been worsened by the EEC's decision to subsidize its meat sales on international markets. Consequently, Uruguay's export volumes decreased by almost 40 percent in the meat sector, provoking $67 million in losses for the country. Brazil, the largest debtor in the world, has seen its exports to the United States affected by the protectionist policy adopted by Washington. Consequently, 17 Brazilian products included in the bilateral preferential system sustained a serious deterioration in their volume and prices.

These facts confirm the need to implement a new international economic order which is advocated by most of the countries in the world and is actually enforced only by the socialist countries in their links with underdeveloped nations. The mean interests of imperialist powers, led by the United States, cannot possibly continue as the norms indefinitely ruling the world's economy, particularly when it represents the systematic impoverishment of our peoples.

LATE REPORT: REACTION TO GENEVA SUMMIT

FL220350 Havana Television Service in Spanish 1800 GMT 21 Nov 85

[Text] The holding of another summit meeting next year and the exchange of visits to each other's countries is included in the Geneva agreements. The joint statement establishes an increase in Soviet-U.S. negotiations to avoid an arms race in space and liquidate the existing arms race on earth. The document signed in Geneva includes the subject of disarmament, the decrease of nuclear risks, and chemical weapons. The communique also recognizes the great differences in viewpoints of the USSR and the United States [regarding] international problems, but it reflects the decision to arrive at an understanding. Both leaders recognized the importance of avoiding a war between their respective countries, whether nuclear or conventional, and they pledged not to seek military superiority.

In their conversations, Reagan and Gorbachev also agreed to speed up arms control negotiations between the U.S. and Soviet committees that began in March 1985. They also gave special importance to the Vienna negotiations on the reduction of troops and arms in Central Europe and the achieving of positive results in these negotiations. They also spoke of the Stockholm conference for confidence, security, and disarmament in Europe. Both leaders also pledged their support for nonproliferation of nuclear weapons in the document.

The document also includes a series of measures to promote security of air routes and the announcement of the renewal of flights between the USSR and the United States, and the opening of general consulates in Kiev and New York, respectively.

It also takes up the subject of environmental protection and increased scientific, educational, medical, and sports contacts.

GOVERNMENT UNCOVERS TERRORIST PLOT; PARTIES REACT

PY212333 Paris AFP in Spanish 2132 GMT 21 Nov 85

[By Miguel Longo]

[Text] Santo Domingo, 21 Nov (AFP) -- The disclosure of a macabre terrorist plot mobilized Dominican political leaders and calmed the heated infighting within the ruling party 72 hours before the election of its presidential candidate for the May 1986 election.

Disclosure of the terrorist plot was made today through an official joint communique by the National Police and by the National Identification Department (DNIN -- State Security). According to the communique, the terrorist plot was to be implemented by the leftist group Dominican People's Movement with the support of the Puerto Rican extremist group Macheteros.

The communique states that the two groups were planning to murder businessman Jacinto Peynado, who lodged a formal complaint with the authorities, former Foreign and Defense Minister Ramon Emilio Jimenez, and journalist Guillermo Gomez, among other political personalities. The above three political leaders are closely linked to the leading opposition organization, the Reformist Party of former President Joaquin Balaguer (1966-1978).

President Jorge Blanco this morning paid a call on Balaguer (78) at Balaguer's home to brief him on the details of the investigation. It has been reported by official sources that Balaguer gave his support to President Blanco in his struggle against terrorist groups.

Later, President Blanco held another meeting at government house with Senate President Jacobo Majluta and Santo Domingo Mayor Jose Francisco Pena Gomez in order to brief them on the uncovered terrorist plot.

Majluta and Pena Gomez are engaged in a tough dispute to obtain the presidential nomination of the ruling social democratic Dominican Revolutionary Party (PRD) for the May 1986 general election.

The PRD presidential candidate will be elected on Sunday, 24 November, by more than 600,000 PRD members amid a tense preprimary campaign in which the two candidates for the PRD nomination are questioning the organization of the election.

The current tensions could unleash a conflict which, according to political observers, could seriously damage the 20-year old Dominican democracy.

President Blanco openly supports Pena Gomez in his bid against Majluta, who has been a persistent government critic since its installation in August 1982.

At the end of the meeting at government palace, Majluta said President Blanco had briefed them on the results of the investigations conducted by the security organizations and had emphasized the need to take the necessary precautionary measures in the face of the terrorist threat.

In view of this, Majluta said, he and Pena Gomez have decided to suspend all scheduled public rallies until the 24 November election to prevent the terrorists from taking advantage of these rallies for their own benefit.

DOMINICAN, ECUADORAN PRESIDENTS AGREE ON TRADE

PA201426 Paris AFP in Spanish 0216 GMT 20 Nov 85

[Excerpts] Santo Domingo, 19 Nov (AFP) -- A renewed commitment and support for peace in the stirred up Central American region and an agreement to barter oil in exchange for sugar today appeared as the most significant results of Ecuadoran President Leon Febres Cordero's visit to the Dominican Republic.

On the second day of his 3-day visit the Ecuadoran president carried out several protocol activities and visited the colonial zone where historical monuments are located.

Official sources confirmed to AFP that during yesterday's private meeting between Salvador Jorge Blanco and Leon Febres Cordero, the two presidents thoroughly discussed the Central American situation. This was an occasion Febres Cordero used to give a detailed explanation of the recent break in relations between his government and Nicaragua's Sandinist regime.

Regarding economic cooperation, the most important matter the two presidents agreed upon is an eventual barter of Ecuadoran oil for Dominican sugar. The pertinent technical commissions were busily working on the details of this agreement today.

These are products exported by the two countries. It was impossible to establish what quantity could be involved in this barter operation, but it was noted that the two governments have a political willingness to carry it through.

This operation is very advantageous for the Dominican Republic because it imports all the hydrocarbons it consumes and because it must sell sugar, its main export, in the international market at prices far below costs.

To Ecuador it represents an opportunity to acquire sugar, crude and refined, needed by its market, without having to spend any foreign exchange funds, the sources noted.

The technical commissions are also studying other possibilities to expand bilateral trade beyond its scant traditional limits and aside from the barter.

Febres Cordero and Jorge Blanco will meet again tonight when the Dominican president will be decorated during a reception offered by the Ecuadoran president at his hotel.

JAMAICA

SEAGA REQUESTS U.S. ASSISTANCE FOR FLOOD VICTIMS

FL211745 Bridgetown CANA in English 1456 GMT 21 Nov 85

[Text] Kingston, Jamaica, Nov 21, CANA -- The authorities here were today still calculating the damage from flood rains from the fringe of Hurricane Kate, that pummelled eastern and central Jamaica for nearly 24 hours, leaving three people dead, hundreds of acres of agricultural crops destroyed, damaged homes and blocked roads.

Prime Minister Edward Seaga, in Miami for the annual Caribbean Basin Trade and Investment Conference, has already asked the United States Agency for International Development (USAID) for assistance for flood victims. Seaga was returning home early today and will tour the affected areas, mainly in the parishes of Clarendon and Manchester in the centre of the island, and in Portland and St Thomas in the east.

The rains started Tuesday and continued for most of yesterday, and officials say that in some areas of Clarendon as much as 15 inches of rain fell, while Manchester recorded more than 12 inches.

The deaths, all reported in Manchester, included that of a six-year-old girl, washed away yesterday on her way from school. A 60-year old farmer died when he fell into a pond, but the cause of the third fatality was not immediately clear.

The rains caused land slides and rivers to overflow their banks, flooding fields and damaging crops. Among the hardest hit were banana, winter vegetables and tobacco plantations, as well as small farmer's holdings.

PROPERTIES IN NEW YORK, LONDON TO BE SOLD

FL211930 Bridgetown CANA in English 1659 GMT 21 Nov 85

[Text] Kingston, Jamaica, Nov 21, CANA -- The Jamaica Government says it is selling its diplomatic properties in New York and London to finance mainly export-oriented projects. The announcement followed two weeks of speculation that the sales had taken place and that bridging financing had been secured from commercial banks, and put into the bi-weekly foreign exchange auction to stave off further declines in the Jamaican dollar.

The government statement made no reference to these reports. It said the Jamaican premises in New York's Dag Hamarskjold Plaza had been transferred from the Capital Development Fund -- which holds earnings from the bauxite sector -- to the National Investment Bank (NIB) that holds government's investments. NIB, in turn, proposes by the sale of this property to finance a range of mainly export-oriented projects in Jamaica and, to this end, is holding preliminary discussions with a Jamaican financial institution which has overseas assets, the statement said. The Jamaican mission on St James Street in London's West End, is already owned by a NIB subsidiary.

the GLEANER newspaper has valued the New York premises at U.S. 20 million dollars and the London premises at around U.S. 8 million dollars. The statement said that Jamaican Government missions and agencies at the New York premises would continue to be located there, apparently on a leased basis. It said the London property had always presented a problem in terms of suitability and the cost of maintenance and upkeep. Accordingly, the intention is to acquire a building better suited to the demands of the High Commission and the other Jamaican Government agencies in London, the statement said.

The speculation on the relationship between the property transaction and the local dollar began after the government, seeking to reverse 15 consecutive declines in the currency, was able to put an unprecedented U.S.8 million dollars in the parity fixing auction and follow that up with amounts above the twice-weekly average. Analysts say there was not perceived increase in inflows from regular source such as manufacturers, bauxite or tourism. They said the government had been able to arrange U.S.23 million dollars against the prospective sales, and through the use of this has been able to push back the exchange rate from J6.40 for one U.S. dollar to the current 5.50 dollars for one U.S.

TRINIDAD AND TOBAGO

FISHING AGREEMENT WITH VENEZUELA REACHED

FL211715 Bridgetown CANA in English 1326 GMT 21 Nov 85

[Text] Port-of-Spain, Trinidad, Nov 21, CANA -- Trinidad and Tobago and neighbouring Venezuela are to sign a long-awaited new bilateral fishing agreement next week in Port-of-Spain, the government here announced last night. Trinidad and Tobago's External Affairs Minister Errol Mahabir met in Miami yesterday with his Caracas counterpart Alberto Consalvi to conclude discussions on the agreement, the Foreign Ministry statement said.

The pact essentially sets out the conditions under which fishermen from both countries can operate in the limited sea area between the two countries, unmolested by Coast Guard patrols. The statutory fisheries zones of the two countries overlap. The last agreement expired in May 1984. Since then, there have been a number of incidents between Trinidad and Tobago's southern coast fishermen, and oil exploration vessels, and the Venezuelan Coast Guard.

Consalvi, accompanied by senior officials of Venezuela's Ministries of Foreign Affairs, Industry, Trade, Petroleum and Planning, will be in Trinidad next week for the signing ceremony, the statement said.

Chambers Invited for Visit

FL211730 Bridgetown CANA in English 1422 GMT 21 Nov 85

[Text] Port-of-Spain, Trinidad, Nov 21, CANA -- Trinidad and Tobago Prime Minister George Chambers has been invited to pay an official visit to Venezuela next year at a mutually convenient time, the Foreign Ministry here announced last night. The government statement said the invitation was issued by Venezuelan President Jaime Lusinchi, when the two leaders met yesterday in Miami, where they are both attending the annual Caribbean Conference on Trade and Investment. Chambers and Lusinchi discussed international and regional issues, including world petroleum developments, the debt question and drug trafficking.

The Trinidad and Tobago leader is due to address the plenary session of the conference today, and later meet with U.S. trade representative Clayton Yeutter, the statement said.

POLITICAL DEBATE SEEN ENTERING 'DECISIVE PHASE'

PM181221 Rotterdam NRC HANDELSBLAD in Dutch 6 Nov 85 p 5

[ANP report: "Suriname Dialogue in Decisive Phase"]

[Text] The Hague/Paramaribo, 6 Nov -- The dialogue between the Army leadership and the old political parties in Suriname has entered a decisive phase. The outcome is highly uncertain. Army leader Bouterse has submitted two documents to the parties; one of these has been rejected and the other offers "something more tangible."

The talks with Jaggernath Lachmon's Progressive Reform Party (VHP) and Former Prime Minister Arron's National Party of Suriname (NPS) were intended to end in a joint political declaration on 25 November, the 10th anniversary of Suriname's independence.

VHP and NPS circles reacted with total rejection to the first document Bouterse's 25 February Movement at the time of the appointment of the Udenhout government. The proposals' point of departure is a multi-tier electoral system in which deputies for a national assembly are chosen via people's committees and district councils. No mention was made of general elections at the national level involving political parties.

The second document offers "something more tangible," according to party circles. The document contains a number of points for discussion in the talks between the Army leadership and the VHP and NPS. One of these is a possible role for the political parties in the Assembly or in the so-called Supreme Council, in which the military authorities, the trade unions, and the employers are at present involved.

Other points for discussion are: the contents of a new democracy, the major outlines of a constitution, and the place of the various parties in a political dialogue.

According to the document on 25 November there must be a "solemn political declaration" and there must be proposals for a transitional phase lasting until April 1987. The Udenhout government and the National Assembly have been given the same length of time in which to create democratic structures.

The "old parties continue to adhere to their demand that before the end of the transitional phase, general and secret elections must be held. And in the transitional phase a constitution must also be drawn up under which only an indirect control function may be granted to the military authorities.

$10 MILLION LOAN AGREEMENT WITH PRC SIGNED

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[Text] Suriname and the PRC have on Wednesday November the 13th signed an agreement for a loan. By so doing, two treaties which the two countries signed on September the 7th of '84 can now be carried out. The PRC will, according to these treaties, give technical and financial assistance in building a roofed-in stadium.

Suriname will be exempted for paying interest on this $10 million loan. A 10 year grace period opens the possibility for Suriname to start redemtion on September the 7th of 1995. The loan will be repaid in dollars or in Surinamese products.

The document, which was signed by Central Bank President Mr (Hank Hoothalek) and by Mr (Liu Zengu), charge d'affaires of the PRC, took place in the Central Bank building in Paramaribo.